

# REGIONAL PLANNING ISSUES

504

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BEFORE THE  
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OF THE  
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FIRST SESSION

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PART 2

INVITED COMMENTS

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# REGIONAL PLANNING ISSUES

## INTRODUCTION

On October 13 through October 15, 1970, the Subcommittee on Urban Affairs heard from nine witnesses in public hearings on regional planning issues. At that time, witnesses were asked to address themselves, in part, to the seeming contradictions between the trend toward grass-roots democracy or neighborhood, local community control of public functions on the one hand, and the demand of others, in contrast, that urban problems be solved by expanding local government into ever larger regional entities, such as metropolitan or other multi-jurisdictional authorities.

Out of these hearings and previous studies by the subcommittee there arose the suggestion that the Federal Government might make a contribution toward solving regional planning issues by reorganizing the manner in which its own activities were related to State and local governments and private units. This might be done through revamping the regional structure of Federal departmental operations. Accordingly, a number of people were invited to submit papers related in various ways to these problems which are published in this part 2 of our hearings. Additional individuals have been invited to participate in public hearings in May of this year.

The character of the thinking produced by our previous studies and hearings was in part outlined to the contributors to this part 2 as follows:

[Excerpt from letter of Jan. 11, 1971, to the various contributors]

It might be desirable for Congress to begin consideration of some kind of a national planning act that would provide for the establishment of regional planning organization ranging in size from a part of a major metropolitan area up to inter-state combinations. At the Federal level planning and action programs would be brutally decentralized to regional offices set up in the ten Federal administrative regions that have been established during the last two years. Review beyond these Federal Regional offices would be possible only in the most exceptional circumstances. This would insure that local planning units could go to a single delivery point of contact with the Federal Government from which they could get firm answers and commitments.

This Federal umbrella would lay down certain standards and demand specific levels of quality of performance, but would leave room for a maximum of local initiative and variety. In each region there would be a single officer to coordinate Federal programs and who would be directly responsible to a National official in the Executive office of the Presidency. Presumably there would have to be consolidation of many of the present 400 to 500 grant programs. There would be also some permanent multi-year planning by provision for multi-year commitments at the regional level.

If such a set-up is to be created and made workable it would appear we would need to decide certain fundamental issues.

1. Within present Constitutional constraints how can we provide for appropriate popular representation of the people whose lives are affected under the plans drawn up and executed through this regional planning structure?

2. What objectives or goals should be spelled out in the statute as a guide to the operations of this regional set-up?

3. What standards would have to be spelled out in the statute as guides for the regional coordinators and as requirements for the performance of local units?

4. What powers would have to be lodged in the ten regional coordinators and how should they be tied to the Presidential office in Washington?

5. Should a pool of unrestricted funds be available to each regional coordinator to be allocated by him in whatever manner would promote the objectives of the Act and comply with the standards thereunder in order to supply funds which would not be available under any of the other Federal grant programs but would be vital to the success of a particular plan? If this is needed, how big a pool would be required initially?

The views expressed in these papers will be helpful to the committee and the public concerned, but these statements, of course, reflect the individual views of their authors and do not necessarily reflect those of the committee, its individual members, or its staff.

## PLANNING, COORDINATION, REGIONALIZATION, AND DEVOLUTION

*By* JOHN E. BEBOUT, *Institute for Urban Studies,  
University of Houston*

This statement is in response to the invitation from Congressman Richard Bolling, chairman, Subcommittee of Urban Affairs of the Joint Economic Committee of the Congress. The memorandum dated January 11 requested observations concerning issues that would need to be considered in preparation of a national planning act providing for establishment of a system of regional organizations related, but not confined to, the 10 Federal administrative regions established during the last 2 years. While this paper will touch in some way on all or most of the five specific issues raised in the letter, it does not attempt categorical answers to them.

I have entitled this paper "Planning, Coordination, Regionalization, and Devolution" because it seems to me that the suggested scheme involves coordination and regionalization of public functions as much as it does planning, and from a long-range point of view suggests the possibility, though not the inevitability, of a new system of devolution of substantial policymaking as well as administrative responsibilities upon institutions of regional government.

The conceptual framework for this paper is closely analogous to that set forth in two policy papers for the Connecticut Commission to Study the Necessity and Feasibility of Metropolitan Government published by the Commission in January 1967, in a volume of such papers entitled "The States Biggest Business—Local and Regional Problems." The papers are "The Role of State Government in Regional Development" by Norton E. Long and "The States and Local Self-Government" by John E. Bebout. I am enclosing copies of these papers. A commentary on them, entitled "Reflections on Regional Reform" by Alan Altshuler, which appears in the same volume, was reprinted at page 23 of the hearings on regional planning issues before the Subcommittee on Urban Affairs, part I, October 13, 14, 15, 16, 1970.

The essential elements of the Long-Bebout scheme may be summarized as follows:

1. For purposes of planning, coordination, and some aspects of policy development, there is need for a set of regional institutions intermediate between State and city and town governments.
2. The State should be divided into a set of regions to serve the following purposes:
  - a. Decentralized administration of certain State functions.
  - b. Regional developmental, program and fiscal planning—in short, comprehensive regional planning.

*c.* Regional cooperation of local governments through inter-local agreements and activities like those conducted by councils of government.

3. To serve the indicated purposes, the following institutional arrangements would be necessary or desirable:

*a.* Regional offices of various State agencies vested with some administrative discretion.

*b.* A regional administrator to facilitate coordination across agency lines and between State and local governments, reporting directly to the Governor or to a State department of administration responsible to the Governor.

*c.* Some sort of regional assembly, primarily representing the local governments in the region.

*d.* A regional information or data system tied into a State system for social and economic accounting, and to State and local budgeting and programming.

*e.* Some reorganization of the legislative committee structure which would include at least a joint committee corresponding to the Joint Economic Committee of the Congress, and perhaps some arrangement for involvement of legislators in the affairs of their respective regional districts.

All of these matters are more fully spelled out in the two papers.

The memorandum of January 11 calls for a national planning act that "would provide for the establishment of regional planning organization ranging in size from a part of a major metropolitan area up to interstate combinations." The memorandum continues: "At the Federal level, planning and action programs would be brutally decentralized to regional offices set up in the 10 Federal administrative regions," which I assume would be the principal interstate combinations for general regional planning purposes.

My first observation is that to serve the national interest regional planning must be set in the context of a level of national planning not now in being. Therefore, I suggest that the proposed national planning act should address itself in the first instance to the problem of national planning. We now have several councils, including the Council of Economic Advisers and the Environmental Council, which are presumably engaged in somewhat more comprehensive functional planning than we have had in the past. The establishment of the Office of Management and Budget, and the President's proposal for a reorganization of Federal departments along mission, rather than clientele-oriented lines, look toward a national administrative system better adapted than heretofore to comprehensive national planning. There is, however, still no national system for developing social indicators to go along with economic indicators as guidelines into the future. Even if the ambitious reorganization of the national administration were achieved there would still need to be some new means provided for helping the President, the Congress and the public, make a better assessment of relative claims on talent and material resources of such needs as defense, environmental maintenance, and human development. In short, we need a better system for arriving at national goals and priorities. I believe that regional planning can provide essential inputs for such a system, but without an appropriate national system that cuts across functional and mission lines, and is

more dynamic than goals and guidelines spelled out in statutes, regional planning by itself could even be counterproductive.

The essential reason for the last statement lies in the increasingly critical interdependence of the various subsystems that make up the Nation and indeed the whole society of man. When planning is done by a subsystem, strictly on its own behalf its assessment of costs and benefits is likely to lead to a course of action which, while beneficial to it in the short run, is detrimental to the immediate interest of the system as a whole and to its own interest in the long run. There is not time here to develop the argument for this proposition fully. It has been cogently presented in theoretical terms by a sociologist friend of mine at Rutgers University, Dr. Harry C. Bredemeier in an unpublished manuscript entitled "Planning, Priorities and the Allocation of Burdens," 1969. Professor Bredemeier states that his basic argument "is that unless the planning is done on behalf of the largest possible system, it is very likely to miscarry." Later he observes "rational planning on the part of a single unit very often leads to behavior that affects the common environment in such a way as to diminish the welfare of the unit." This leads to the conclusion that ultimately the planning we need to develop is planning on behalf of the species. Assuming hopefully, an increasing sense of responsibility at the national level for the survival of the world community, no Nation can afford to abdicate to regional or local units its responsibility for relating crucial public actions at all levels to viable national goals and policies. And this, I submit, calls us to consider something better than the past and present hit or miss system of articulating, coordinating and carrying out such great national purposes as these set forth in the Preamble of the Constitution of the United States.

Having said this, I must confess that I have no blueprint for a workable national planning system. However, I think it is clear that whatever specific mechanism may be created, its effectiveness will depend upon a number of related institutional developments. These include a reorganization of the national administration and substantial alteration of the committee structure and work habits of the Congress and an invigoration of the State-local system in line with President Johnson's concept of creative federalism. Along with these there is need for a more comprehensive and sophisticated information base for public policies at all levels, and for continuing efforts to engage as fully as possible the concern and creativity of the citizen. All of these are important if the national planning which I think we must ultimately have is to be democratic rather than authoritarian.

Obviously, these developments just will not come overnight through a "new American revolution." They will be incremental if they happen at all. But if they are to happen, we must clearly perceive the need for them and work for them with all possible energy. The object of planning is not planning but action. The object of comprehensive planning is coordination of numerous actions that are often carried out as if they have no bearing on one another. If regional planning is to be meaningful it must result in some coordination or integration of policies, programs and administrative actions of all the agencies and levels of government affecting the region as a whole. This is clearly recognized in the memorandum of January 11, which suggests, "In each region there would be a single officer to coordinate Federal pro-



grams and who would be directly responsible to a national official in the Executive Office of the President." This officer would be roughly comparable to the regional executive that Norton Long suggested to the State of Connecticut. This officer would need all the muscle that both the Presidential office and congressional support for the principle of coordination could give him. His task would, of course, be greatly simplified by a substantial consolidation of funds, as well as by a pool of unrestricted funds suggested in the memorandum. The size of such a pool might well depend on the extent of the consolidation of existing funds: the greater the consolidation, the smaller the needed pool. On the other hand, general revenue sharing could be counterproductive until all the States come up to a reasonable level both of tax effort and of delivery capability.

Coordination of Federal programs is only half the job, since the object is to achieve a more effective, Federal, State and local partnership in meeting regional and local needs within the context of the national interest. The regional planning agency should, therefore, include representatives of each of the States, of the cities, and other local governments in the region and of Federal agencies with responsibilities for the principal broad missions of the Federal Government in the region. We have examples of such interlevel agencies in the Advisory Commission on Intergovernmental Relations, and at the regional level in the Delaware River Basin Commission, although the latter has no local representation.

One of the originally stated purposes of the establishment of the 10 Federal administrative regions was to involve the States more effectively in decisions concerning the use of Federal funds. It is hard to see how the mere establishment of these regions, even with Federal coordinators, would in itself enhance the roles of States or local government. The kind of regional planning agency I have suggested might supply the missing link in this scheme and might strengthen the State-local influence in regional coordination, especially if the State and local members of the regional planning agency were permitted to designate a person to act as a continuing consultant to the Federal regional coordinator.

In Connecticut we conceived of the regions as serving both as administrative regions and development regions. Planning is, of course, an essential tool of development at whatever level. So far as I know, no one is satisfied with the existing configuration of interstate development regions. I would suggest for this and other reasons that serious consideration be given to making the administrative and development regions coincide. This would require redefining both sets of regions and might result in settling on some number other than 10. To create 10 new regional planning commissions on top of the existing pattern of regional commissions could result in unfortunate confusion and duplication of effort.

I am assuming that those regions, unlike that in Appalachia but like that of the New England Commission should include whole States; although, admittedly, State lines do not necessarily delineate natural regions for developmental and other purposes. For example, the Alleghenys would make a more sensible boundary between middle Atlantic and Great Lakes Regions than the Ohio River. However, the importance of fully engaging the power of the States in regional planning and coordination seems to be a paramount practical consider-

ation. This basic regionalization scheme will not of course preclude, indeed it might facilitate, interstate collaboration on specific matters across regional lines. Neither would it preclude or take over such limited purpose regional agencies as the Delaware Regional Basin Commission, although, such intraregional agencies should be related to the overall regions for information, planning and coordination purposes.

So far, I have addressed myself mainly to the 10 or so major administrative and planning regions. The memo of January 11 contemplated a national planning act that would provide regional planning organizations of various sizes ranging down to submetropolitan areas perhaps, I suppose, even to subcity areas. Existing Federal requirements have resulted in creation of hundreds of metropolitanwide planning agencies and councils of governments. The national Government also deals directly with municipal, county, State, and some other planning agencies. However, the responsibility for the establishment of agencies for regional planning and coordination within the State must be left primarily to the States. The Federal Government has properly found that there is a national interest in planning at various levels and has assisted the States in promoting it, even at the intracity level in the model cities program. The further development of what might be termed microregionalism in the national interest might well be recognized in the national planning act. However, such regionalism must develop out of experience which will be different for different areas and purposes. It would be a mistake in a national planning act to promote decentralization for decentralization's sake. The possible result could be further fractionization of an already fractionized system of local institutions. On the other hand there could be real value in national encouragement to States to encourage permissive restructuring of local government along such lines as those suggested by the Committee for Economic Development in the policy-statement entitled "Reshaping Government in Metropolitan Areas" which suggests as an ultimate goal a governmental system for American metropolitan area "that recognizes the need for both a community level and a metropolitan level of government."

As I see it, there are two essential objectives of decentralization: one is to give all people a feeling that they have access to their government and a fair share of influence on those decisions that most intimately affect them. The other objective is to obtain the benefit of whatever creative contribution any citizen can make to the shaping of public policy. Decentralization can be most useful if it maximizes the opportunity of the individual citizen to participate directly in the governmental process as distinct from his participation through clientele or interest groups. Decentralization that simply turns over a segment of the city or metropolitan area to a dominant organized interest group is not necessarily either in the general interest or in the interest of the individual citizen who happens to belong to the group. A free people is not best served by dividing the electorate or the task of government among a number of homogenous geographic or functional communities. This, at least, is my judgment in terms of the long view and it argues against an effort to divide the city into a number of homogenous cells. The most vigorous cities, States, and nations derive strength from variety and from the results of controlled con-

flict and competition among diverse interests and points of view. If concession must be made for the time being to the demands of segregated minorities, it should be recognized as a short time expedient, subject to review and revision as conditions change.

Current proposals for community government within existing large cities like that of the Committee for Economic Development call for devolution of certain governmental power and responsibility upon the lesser units subject to their being exercised in a manner compatible with the overall authority of metropolitan and State governments. One might speculate with respect to the regions as we did in the State of Connecticut, that the large interstate districts might ultimately develop such institutional strength and acceptability that they might become limited regional governments. This would be by a process of devolution of certain responsibilities from the Federal Government and delegation upward of certain responsibilities from the States including such powers as are now in some cases vested by interstate compact in such agencies as the Delaware River Basin Commission. This possibility, however, is now properly in the area of sheer speculation and should arouse neither the fears of those who dislike the thought of radical change nor the hopes of those eager for instant utopia. We have already embarked through Federal action to decentralize administration and regionalize certain kinds of planning, on the one hand, and through interstate cooperation, on the other, upon a course which now calls for the kind of rationalization that Congressman Bolling has called for in the memo of January 11.

(The enclosed papers follow :)

## THE STATE AND LOCAL SELF-GOVERNMENT

By JOHN E. BEBOUT

"No test of the sincerity of our political beliefs, no test of the machinery of our State government is so critical as the success of the State in enabling the citizens in their own communities to handle for themselves the governmental problems that properly belong to them for solution" (Commission on State Government Organization. *The Report*, 1950, p. 45).

On this test, no state would get very high marks. Reasons include cramping or outmoded constitutional and statutory provisions, unrealistic state and local revenue systems and local government units and structures developed to meet the problems of a much simpler, less demanding age. It is essentially because local self-government, through a multitude of relatively small towns and cities, no longer adequately meets the needs of a state most of whose people are living and working in a few large metropolitan regions that the Commission to Study the Necessity and Feasibility of Metropolitan Government has been established.

That this system, in its present setting of state law, administration and finance, is not now meeting current needs satisfactorily can be accepted as given. The question before the Commission is not *whether* something needs to be done, but *what*, what can best be done to meet the needs of all present and future citizens of Connecticut for government, shaped so far as possible to their own tastes.

In determining this question, it is necessary to look at laws, fiscal systems and local government structure. But first and foremost, it is necessary to ask what Connecticut citizens really want from government, or, rather, what they probably will be wanting, or wishing they had if they are not getting it, in the not distant future.

If the development of American tastes and desires during the last half century is any criterion, we can confidently expect them to want government that helps them: Attain a more surely and uniformly prosperous economy; live in good, convenient, uncrowded homes in pleasant neighborhoods; enjoy the blessings of health in so far as they can be enhanced by concerted as distinct from purely individual action; feel as secure as possible against the hazards of fire, disorder,

crime, or other man-made or "natural" catastrophes; educate their children, and indeed themselves, to the fullest extent of their capacities for participation in the best that society has to offer; have a plentiful supply of the clean air, water and land and the wholesome organic life which, together, make the planet hospitable to man; have ready access to the cultural amenities which have come only with the growth of cities and to the natural amenities of unspoiled, uncluttered mountains, valleys and seashore; move about swiftly, conveniently and safely in order to participate fully in the activities and benefits of "the great society" that Americans have been striving for, regardless of party or creed, from the beginning; all this and Heaven, too? including the abatement of the ugliness and perils suffered by all citizens because of ghettos not only of race but also of poverty and self-perpetuating ignorance and incompetence.

In the pursuit of all these and still other goods, the American people, in an increasingly complex and interdependent society, have learned that government provides an indispensable and increasingly versatile tool. But unlike some other people, Americans, ever since they escaped from old tyrannies overseas have persisted in conceiving of government as a tool, a means rather than an end, their own instrument for use in attaining their own purposes. They are determined to keep it that way, and one of their convictions about how to keep it that way is their belief in decentralization of decision-making and political control, as well as of action or administration. In "the way" of local self-government, said the 1950 Commission Report, "lies the avoidance of unnecessary centralization, whether in the State Capitol or Washington."

But decentralization, like the government of which it is a characteristic, is a means, not an end. It is meaningless if the government itself is not serving the great and compelling ends of the society, and it will be abandoned or circumvented if it grievously impedes the serving of those ends.

It is important, therefore, in seeking to preserve decentralization in an increasingly interdependent and technologically integrated society, to be sure that we are defending the useful and viable essence, not an outmoded or non-functional form. It is also important, and this must be stressed, to recognize that preservation of the useful essence of decentralization does not necessarily come naturally. While it is a means, not an end, it is a means toward a very vital end, the maintenance of an open society composed of free and autonomous spirits. It is therefore, worth working for positively and with as much understanding of the difference between essentials and incidentals as we can muster. To achieve such an understanding, and, hence, to act on it continuously in the continuously changing medium in which government exists, definite provisions must be made. For too long we have treated local government as if the stork had brought it and then, like Topsy, it had "jest growed", and, like the stars, it would always be there. The facts, of course, are quite otherwise.

Local government as we know it is essentially an outcome of forces that have made English and American history. It may have some kinship to primitive tribal institutions, but it has grown and developed since early Norman days, at least, mainly as an essential arm of the state. English kings found that local institutions, charged with certain public responsibilities, were the most convenient and inexpensive means for getting important business done. Local government, then, has for hundreds of years been in fact and in law a creature of the central government, in this country of that part of central government that we call the state. Because responsibility breeds and requires a degree of autonomy, local government has evolved into a kind of junior partner of central government. And in our federal system, with the national government necessarily getting more and more into matters that used to be thought of as purely state and local concerns, local government finds that it has two senior partners.

Despite, but partly because of, the use of federal money in accordance with federal standards to induce state and local governments to shape an increasing number of programs—housing, health, welfare, education, transportation, sanitation, employment and others—to national purposes and goals, those governments are doing more and more business and still carry on far and away the greater share of the total business of domestic government. The federal government has chosen to use local governments as its agents for so much of this business that the states cry out that they are being by-passed in favor of their own creature.

At the same time, the states now as always use their local governments to carry the major part of their share of the total burden of government. Thus, in a very real sense, local government is the biggest business of state government, and it is growing in magnitude and importance to the nation.

The thesis of this paper is that, considering the importance of local government and its problems of adjustment to mounting responsibilities, the states generally are guilty of gross neglect of its care and feelings. Neither the executive nor the legislative branch is organized or equipped for the express purpose of developing and guiding local institutions in relation to their total mission in our system.

Within the limits of his constitutional competence, Uncle Sam, in the work of the Advisory Commission on Intergovernmental Relations, the Senate and House Committees on Government Operations and, increasingly, the Department of Housing and Urban Development and other agencies, currently shows more concern over the health and competence of local governments than do many of their legal guardians. In fact, reports, especially those of A.C.I.R. and the Congressional committees, point to specific ways in which the states could alter constitutional, statutory, administrative, fiscal, and structural arrangements so as to fit local government better for the roles that both national and state policy ask it to perform. Basically, these all add up to the strong suggestion that the states should give more considered and continuous attention to the local government institutions. They call particular attention to the problem of metropolitan government, which, for our purposes, can be defined as the problem of achieving the necessary integration of public policies and programs formulated and administered by a host of local units and state and national agencies, within an area of intense social, economic and physical interdependence.

By creating this Study Commission, the State of Connecticut has shown its concern for this problem. The Commission, happily, is fully aware of the fact that there is no single solution or panacea. It is quite properly exploring various and alternate methods of reordering government for more effective handling of metropolitan problems. There is one kind of action that the state could take, however, that is not an alternative to, but rather a highly useful supplement or complement to any others it may consider. This is to restructure the machinery of state government for more purposeful and helpful handling now what we earlier called its biggest business; namely, local government.

In June, 1966, the House Committee on Government Operations issued its 30th Report, significantly entitled, "Unshackling Local Government." The reports stated purpose is "to discuss some of the methods by which States might free local governments to handle many of their problems more effectively and expeditiously." The methods discussed and generally approved were those suggested over a number of years by the Advisory Commission on Intergovernmental Relations and included the creation or adaptation of a state agency "for continuing attention, review and assistance with respect to the metropolitan areas of the State and associated problems of local government, planning, structure, organization and finance." This suggestion was in line with recommendations made by the Council of State Government since 1956.

Most of the Canadian Provinces have long had agencies of this sort, and an increasing number of states, the committee report counted "at least nine," have created agencies to assist in giving general oversight, guidance and technical assistance to local governments.

In order to determine how to organize the state government for optimum use of local institutions in an urban metropolitan age, it is necessary to be very clear about the essential essence of the state-local relationship. That essence, we suggest, is partnership in pursuit of common goals. In this case, the partnership is not between equals; the state is incontestably the senior or dominant partner and local government must bend to the steady purposes of the larger society of state and nation. Failure to do so must ultimately mean loss of function if not of identity. On the other hand, the history of our country indicates a steady purpose, in the pursuit of national and state goals, to rely heavily on the relatively uncoerced participation of local governments enjoying a sufficient range of choice to accommodate considerable differences in local tastes and opinions.

All levels of government, national, state and local, are involved in varying degrees, in the effort to promote the nine personal and social benefits or goals listed near the beginning of this paper. The problem before us, then, is how best to organize the state government to discharge its paramount responsibility for the quality and effectiveness of the total state-local effort.

Putting the question this way suggests an important clue to the answer. It lies in emphasizing and effectuating the basic unity of state-local government rather than the separation represented by the hyphen. For, in the long run, local independence will be tolerated only so far as it is not incompatible with essential unity. "Unshackling" local government, then, is not just a matter of relieving it

of legal restraints on the right to be different. It is mainly a matter of overcoming weaknesses and developing competence—competence required to contribute positively to the increasingly complex and demanding tasks that it shares with its senior partners.

The effect and effectiveness of government depend on how money, people and information are organized and managed within the context of dominant ideas about the purposes or goals of the enterprise. Rational direction of public policy requires, therefore, an organization which permits the use of these elements—money, personnel and information—to develop and carry out programs that, taken together, meet the evolving needs and desires of those whom government must satisfy. An age of accelerating change and rising expectations calls upon government to exercise more and more penetrating foresight in order to plan and adapt public policies to emerging requirements. It also calls for increasing flexibility and adaptability in the mechanisms for putting the policies into action; in short, for delivering the goods. And the increasing interdependence that characterizes our society requires increasing attention to the internal consistency of the web of public policies and to the coordination of the programs to carry them out.

It is not surprising that our inherited diffuse, untidily structured and essentially relaxed system of domestic government should be groaning and creaking under the impact of these imperatives: Planning, adaptability, coordination are absolute imperatives for a successful governmental system today or for meaningful autonomy in any part of the system. In our federal republic, lack of these qualities at one level will lead to compensatory reactions at another, generally higher, level. The future role of the state-local sector of the system will depend to a very large extent on its ability to embody these imperatives in its structure and operation. The more successful it is in this, the more real power it will have—power to determine the general direction and specific uses of public policies, power to counteract the tendency of highly centralized planning and coordination to become bureaucratic, oppressive and unmindful of regional, group and personal differences.

It is against this background that the proposals here made for state organization to maximize the effectiveness of local institutions must be understood. In brief, this suggestion is that there be a State Department of Administration serving certain basic needs of both state and local government. The department would combine fiscal and other staff functions that have been put together in departments of administration in a number of states with functions that in some other states have been placed in departments of local or community affairs. There is a precedent for this combination, although its possibilities have not yet been fully developed, in the establishment of a division of local and metropolitan government in the Department of Administration in the State of Rhode Island and Providence Plantations. It would bring together and build on the functions now performed by a number of state agencies concerned with finance, personnel and planning and development, whether at the state or local level. It would provide the Governor, the Legislature and local policy makers with better tools than they have ever had for considered and concerted use of available resources in meeting the problems of government in Connecticut. In short, it would be a high level staff department performing functions that might, in a state with a different administrative tradition, be brought together in the executive office of the Governor.

Fortunately, Connecticut has some good building blocks with which to begin to construct a new department. The key elements of the department would be developed out of the existing Department of Finance and Control, the Connecticut Development Commission, and the Personnel Department, which would be transferred in whole or in major part, subject to some reorganization, to the new agency. The three functions—budgeting and fiscal control, planning (meaning development planning in the broad sense of the term), and personnel administration (including active and forward looking recruitment and training programs)—can be so managed as to provide the policy makers of Connecticut state and local governments with a vastly enlarged capacity for anticipating future demands and for dealing both with United States government and with private agencies. These functions, properly developed, can provide policy makers with the basic information about the economic and social trends that will largely determine both the demand for government and the fiscal and human resources required to meet the demand.

Admittedly, not even the astrologers claim to be able to foretell the future as clearly as long range planners would like to see it. However, the future does

not have to be quite so inscrutable as our actions would seem to have it. The fact is that state and local governments generally have hardly made the most elementary try at preparing to meet future demands upon their efforts. This is partly because the political arena is not a hospitable place for any but the most short range prophets. The result is that state and local governments "plan" their activities as if they expected the future to take care of itself, which really means that in the long run Uncle Sam, with his superior capacity to levy on the resources of the whole nation, is called upon more and more at excessive cost, to bail the society out for its past failures.

Connecticut has an opportunity to point the way for other states in creating an administrative and intellectual environment more hospitable to long range politics. People will not face the future boldly or innovatively unless they have very strong reason to believe that lesser measures will not serve at least for a while. The only antidote to this condition is better and more persuasive information. However, politicians, and the citizens who back them up, work more or less in isolation through their separate governments and are understandably reluctant to take advanced or exposed positions which might put them for the time being in adverse competition with less venturesome neighbors. Substantially, the same things can be said about program administrators operating in separate departments and in different levels of government.

What is required, therefore, is to institute a system that will provide all the important policy makers and key administrators in state and local government with a common, more powerful information base and to create a setting in which they can more readily work together in developing and carrying out policies and programs consistent with the emerging facts of life. The proposed State Department of Administration, properly financed and staffed, could begin not only to develop this stronger information base, but also, through the tools of budgeting and personnel administration, to organize and apply this information in such fashion as to enable the Governor, the Legislature and local decision-makers to act accordingly. In order to be fully effective, this department should provide a variety of services of information and technical assistance to local governments, some of which are, of course, already being provided to a degree by one or another state agency. The department should also see to it that the public obtains the kind of background information needed for evaluation of alternative policy proposals upon which it must react at election time and on other occasions.

In addition to divisions or bureaus derived from the existing fiscal, planning and personnel agencies and others suggested in the note at the end of this paper, the department should include at least one major division devoted primarily to the problems of local government. Such a division might be called the "Division of Urban Policy Development" or more simply, the Division of Community Services. This division would provide information, technical assistance and guidance to local governments not more appropriately provided by other divisions of the department. It would also assist the head of the department in keeping the Governor and the legislature informed on local and regional developments and problems, and on the impact of public policies on community affairs.

The statement was made earlier that a restructuring of the machinery of state government to deal more helpfully and purposefully with local government problems was in order, no matter what course the state might take with respect to the restructuring of metropolitan or regional institutions. There are strong reasons, however, for combining this proposal with the kind of regional arrangements suggested by Norton E. Long in his paper, "The Role of State Government in Regional Development." A combination of strengthened regional planning commissions with regionalized state administration which could develop a system for working with and through local governments in a regional context would have at least four important effects on the nature and performances of the state department:

1. It would provide machinery which would greatly facilitate the collection and analysis of information needed both for over-all state policy planning and coordination and for relating such planning and coordination to the varying conditions, stages of development and needs of regions and smaller communities.
2. It would provide the state department with more satisfactory contact points with local governments both for the provision of technical assistance and for the encouragement of intergovernmental and regional coordination which, in any case, should be one of the important objectives of the state department.

3. Through the regionalized state performance budget and with the help of a regional executive, both suggested in Norton Long's paper, the department would be in a much better position to bring about the coordination of state programs and activities, for all experience indicates that effective coordination cannot be brought about simply by devices operating at the top or central office level.

4. It would enable the state department to be adequate and effective without becoming in itself excessively large or too highly centralized.

A powerful reason for the adoption of some such plan for a strong state staff department of administration and a system of regionalized state and local planning and administration is to be found in the developing relationship between state, local and national governments already referred to. More and more, the United States government is struggling with the problem or coordination of its programs at the national and at regional levels. Incentives are already being offered, and more will be offered to state and especially to local governments to regionalize their planning and to some extent their administration, particularly in metropolitan areas.

The fact that Connecticut already has a well thought out pattern of planning and development regions puts it in a particularly strong position, with the changes here proposed, to assume the dominant role in tailoring federal as well as state and local programs to the needs and desires of its own citizens. As Connecticut showed the way to the compromise which made the federal constitution possible, it could now show the way to a compromise between national interest and state-local responsibility that could insure the vigor of the element of decentralization in the federal system for generations to come.

Dr. Long in his paper discussed at some length the crucial importance of the sources and distribution of money and the supply and use of manpower. These matters cannot be over-stressed. As regards taxation and expenditures, the state and regional arrangements under discussion would make it easier for the people of Connecticut to see the actual effects of present fiscal arrangements and to support changes more conducive to their long range interests. Certainly the kind of inter-municipal tax competition promoted by the existing property tax system has an adverse effect upon sound state and regional development that must be faced up to.

The problem of manpower may in the long run be equally crucial, although it tends to have a lower visibility. The hard fact is that both state and local governments have for some time been in a losing competition for manpower both with the national government and with private enterprise, including, it might be observed, the quasi-private enterprise of higher education. The Congress of the United States has given some recognition to this by authorizing programs to support both pre- and mid-career education of key urban personnel of state and local governments. Unfortunately, these authorizations have not been followed by adequate appropriation, but they reflect a growing recognition that a national policy of relying upon state and local institutions for programs needed to achieve national objectives requires attention to the manpower needs of those governments.

The State of Connecticut has not been unmindful of this problem, as evidenced by training programs fostered by the State Personnel Department and provided by the State University. Federal proposals for dealing with the training problem have assumed a heavy reliance on the state university. Any strategy for providing state and local government with manpower adequate to emerging needs should include a strengthening of the relevant programs of the University of Connecticut as well as of other public and private institutions.

The offer of training alone, however, is not the whole answer. The rewards, material and psychic, of public servants in state and local government must be kept competitive with those of persons of equal talent in other sectors. This brings us back to money, as well as to the opportunities for advancement and to the even more basic problem of the relevance of state and local government to the times in which we live and are about to live. Too many able and ambitious young men and women think of employment in state and local government as second or probably third class employment. One reason for this, aside from low pay in many cases, is the limited opportunity for mobility and advancement in many spots in the state and local service.

If we could come to deal with the state and local civil service in some respects as a single system, with transferrability of personnel, with pension and fringe benefits intact, across or up jurisdictional and agency lines, employment could be more attractive to people who fear being stuck in a small unit or agency, with



a relatively low employment ceiling and no way of reaching even that until someone dies or retires. Ultimately, the state-local civil service and the federal service should become so closely comparable in quality and opportunity lines that we could expect ready transferrability back and forth across all level and jurisdictional lines. The structure here proposed should hasten this development.

A basic reason for the relatively low rating of state and local employment is the somewhat dim image that state and local governments have acquired as being largely reactors rather than principal actors in the important business of society. This posture not only affects the attitudes of possible candidates for employment in administrative positions, but also affects the attitudes of those who might get into politics and seek elective office. The result is that too many people stay out of the competition and too many who go in are really interested in a possible move to Washington, D.C., rather than in long time service to their state.

Dr. Long has suggested that the Connecticut Development Commission, here proposed to be incorporated with the state department, might serve in somewhat the same capacity as "the federal Council of Economic Advisers with the added social dimension that that body now lacks." In this capacity it could serve "as staff arm of Governor and Legislature" in providing and interpreting vital information about the state and the future state of the state. A joint committee of the Legislature corresponding to the Congressional Committee on the Economic Report, could work with the Commission or its successor.

There is no doubt that towns and cities will be features of the Connecticut landscape for many years to come. As settlement and economic patterns and methods of communication change, some existing towns will probably disappear by being merged with others. Perhaps not so far in the future as might now be supposed, the people of Connecticut may become persuaded that the cause of effective local self-government could be better served through a much smaller number of towns or cities, commanding larger fiscal and personal resources and wider jurisdiction than most existing local units. The possibility that this might happen has no bearing on the validity either of the suggested state agency or of the proposed regionalization of state and local activities. Such changes would be desirable even if Connecticut had a much smaller number of municipal governments, because municipal and regional concerns would still add up to the major part of the responsibility of state government and would certainly need the guiding, financing, facilitating and coordinating assistance of the state. Moreover, the system of state and regional planning and administration here suggested would provide the people of Connecticut with a much better information basis than they now have for sound decisions regarding the restructuring and reorganization of both state and local governments. The maintenance of vigorous local government will continue to require not only a wholesome spirit of local initiative and reliance, but also the active leadership of the state.

#### A NOTE ON THE ESTABLISHMENT OF THE PROPOSED DEPARTMENT OF ADMINISTRATION

The detailed determination of the functions and structure of the department is a matter to which the Commission will wish to give careful consideration in the light of its own knowledge of the state government and with the counsel of responsible administrators of various state departments and agencies. It seems clear, however, that the department should, as was suggested earlier, include all or most of the functions now being carried on by the Department of Finance and Control, the Connecticut Development Commission and the Personnel Department. There may well be other activities and personnel involved in planning, coordination and certain kinds of technical assistance to local governments that should be transferred to this department.

The determination of what to include or exclude should follow from the essential purpose of the department, which is to provide the state with effective means for planning and coordination, with heavy emphasis on the maintenance of the necessary information and expertise, to give government in Connecticut the coherence and thrust that it ought to have. The department, let it be repeated, should be a staff department, not an operating agency, except for such operations as may be clearly incidental and necessary to its basic function. An example of such an operation would be the conduct of training programs although, as has already been suggested, it would be desirable for the department to depend largely upon the State University and other institutions to conduct such programs on a contractual or some other appropriate basis.

A question might be raised about an auxiliary function like purchasing, now located in the Department of Finance and Control. Purchasing is hardly on a

level with personnel administration as a key factor in administrative planning and control, yet it is a function in which inter-agency and inter-governmental cooperation can pay off and it sometimes can provide an entering wedge for further cooperation. On these grounds it would seem logical to keep it in the department. A somewhat different question might be raised about the Office of Economic Opportunity, but at the present stage, at least, it would seem highly desirable to keep it in the Department of Administration. Since the basic theory of the Economic Opportunity Act is that programs operated by many different departments at different levels of government need to be pulled together, vesting the state responsibility for OEO in the Department of Administration would strengthen the coordinating arm of the department. A somewhat similar rationale suggests that, at least as long as the carrying out of urban renewal remains essentially a local function, the state's urban renewal responsibilities could best be discharged through this department. Indeed, the increasing socialization of the urban renewal concept and the possibility of regionalizing it point strongly in this direction.

Consideration should be given to the desirability of putting the responsibility for a strengthened program of assistance to local assessors in this department. The administration of the property tax is, as Dr. Long pointed out, of crucial importance to the soundness of local government and profoundly affects inter-governmental relations. The state has a paramount responsibility in this area which is of quite a different order from that of collecting state taxes, which is the principal business of the State Tax Department.

The auditing or review of municipal accounts now vested in the Municipal Division of the State Tax Department would also seem to belong in the Department of Administration, partly because it would provide the department with some of the information on local operations which it would need to have in any case.

As has already been suggested, the Department should also include a division of urban policy development or community services to provide various kinds of assistance to local governments and to serve as a communication link between local governments and state policy makers. The kinds of functions that it might perform are suggested by the lists of statutory duties of such agencies in New Jersey, Pennsylvania and Rhode Island. The following list, derived in part from statutes of these and other states, is suggestive, but not necessarily comprehensive (functions).

The internal organization of the department should follow the basic functional lines indicated in the preceding discussion, but bringing agencies from different departments together necessarily requires some changes in the sub-structure. In any case, it is of vital importance that the department be a genuine department, not a bundle or loose federation of essentially independent agencies. The so-called Department of Agriculture, Conservation and Natural Resources would *not* be an appropriate model for this department.

In a changing world, administrative development and reorganization should be a continuing process. It is important at the beginning to be sure that the department includes the clearly essential elements in a workable table of organization. Changes in that organization and shifts in and out of the department will doubtless occur from time to time in the light of experience. One of the ongoing responsibilities of the department should be to provide the Governor and the legislature with the kind of information they need for continuing evaluation and improvement of the structure and performance of the whole state-local government system.

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## THE ROLE OF STATE GOVERNMENT IN REGIONAL DEVELOPMENT

*By* NORTON E. LONG

The states, in legal theory at least, are responsible for the structure and functioning of local government within their borders. Within the limitations of the federal constitution and their own, they are at liberty to determine the kind of local government that seems most suitable to meet the needs of their people in the times that now confront them. Indeed, the leaders of state government can scarcely escape their share of responsibility for the adequacy of local government to deal with a multiplying array of problems that press for solution. The growing tendency of the federal government to bypass the states and deal di-

rectly with their subdivisions is a commentary on the degree to which the states have allowed themselves to lose relevance to the vital issues of an overwhelmingly urban society.

State and town, while rich in historic memories and sentiment, and because they are so rich, run the danger of losing their power to adapt and thus survive. Life, especially political life, cannot be lived in a museum dedicated to the worship of the ways of the past. The colonial house has crane plumbing, central heating, telephone, television, a two car garage and a modern kitchen. To maintain the states, to maintain the towns, indeed, to maintain local self government, the primary value with which we are all concerned, requires the adaptation of these institutions to render them more fit to meet the challenge of a complex, dynamic and crowded urban world.

Restructuring state and local government, far from weakening these parts of our political heritage, can be a way of strengthening and preserving them. Units of government, like other human tools, maintain their value by being useful—currently useful. The charm of the antique usually attends a luxury.

If the federal government is not to bypass state and towns in responding to the forces now at work, the demands that impel its action must be met through a renewed structure and capacity of the states, towns and federal government to meet them. Federalism is not some frozen ideology and set of institutions, but a living embodiment of values capable of evolving to meet the human condition. To think otherwise is to condemn our political philosophy and our institutions as static and obsolescent in a world of dynamic change. It is the virtue of our federal constitution to have contained within it a capacity for growth to meet the needs of a society undreamed of by its framers. We can only hope that a like capacity is latent in our state and local governments. The work of this Commission is an earnest that this is so.

Federal intervention in what has traditionally been considered the local sphere has long antecedents. Education goes back to the Northwest Ordinance. What has been novel is that programs of an intimacy and scope that seemed unexceptionable for the nation's farmers have been paralleled by programs for the nation's city dwellers.

It would have been surprising if the national government of a nation of farmers had not attended to their needs and desires. It should not be surprising that the national government of a nation of city dwellers should recognize the claims of its urban constituency. Piecemeal, ad hoc federal intervention has led to a congeries of frequently conflicting, overlapping and confused and confusing programs. Slowly through sad experience the federal government is learning the high cost of the unplanned, uncoordinated impact of its programs upon our urban areas. The response has been a rash of requirements for regional plans and hesitant and largely unsuccessful steps to coordinate the programs of federal department and bureaus to insure against frustration and failure.

While federal coordination within the federal establishment has been less than spectacularly successful, the recognition of the need for regional planning, if its efforts are to do more than subsidize inter local competition and the status quo, is a real gain. The federal government has become aware that without regional planning resources are wasted and programs lack scope in which to achieve their goals. This recognition has resulted in the federal carrot and stick being placed behind regional planning requirements that are increasingly attached as conditions antecedent to federal grants for a wide variety of programs.

The facts that have persuaded the federal government to emphasize regional planning confront the states. The scale of many problems require regional attack for successful solution. Political structures inherited from the past lack resources, scope and motivation to meet problems that transcend them. The plain fact is that the federal government, through its efforts to encourage regional planning and program implementation, is seeking to restructure the pattern of local government. It requires adequate local counterpart units to make its programs go and meet the needs of its urban constituency. However the haphazard way in which its departments and bureaus are developing unrelated and uncoordinated regional planning requirements bids fair to produce a prolonged period of overlap and confusion that may seriously delay and even discredit serious coordinate regional planning of interdependent programs.

This situation presents an opportunity and an acute need for state action to become master in its own house by developing regional structures that will both meet the needs of federal programs and insure their effective coordination in the interest of the states' development program. Vigorous action by the states can assure them an active and important role in the urban areas where they have

tended to be bypassed. What is required is the creation of regional institutions that will fill the vacuum that now exists. These institutions need not be designed to carve out some new exclusive jurisdiction at the expense of any of the levels of government. What is required is to find ways in which states, towns and federal government can more effectively combine their energies and powers to solve the problems of their common citizens which they now are ill equipped to do.

When one looks at the objects of regional development for which the state must assume a measure of responsibility, they form a long and frequently interrelated list. Perhaps the most fundamental of the state's responsibilities is that of education. While this has been largely mandated to local government at least at the elementary and secondary levels, many individual local governments are unable by themselves to produce quality education and specialized services.

Economies of scale dictate larger units for the handicapped and many of the specially talented than even the well to do, let alone impoverished, units possess. There are too few art students or mentally handicapped in any jurisdiction to warrant fully developed educational programs. Cooperative action to achieve economies of scale and to provide a full range of educational opportunities to the state's youth is needed. It is a responsibility of the state to see that the opportunities do not fail to materialize.

Accordingly, public policy must be devised to bring about the necessary cooperation. Education involves important aspects of the problem of redistribution of resources to meet needs. There is no close relation between town fiscal resources and educational costs that must be met. It is probably asking too much of regional cooperation to make a major contribution to the problem of resource redistribution. This would seem a more appropriate objective of state and national government. However among the educational resources of critical importance is that of human contact and example.

Children are in many ways the most effective teachers of children. They and their environments, when favorable, are a major educational resource. The cooperative use of this resource in such a way as to insure upgrading without downgrading should be an important objective of regional cooperation and of state policy. Concern with this factor and local fiscal competence runs into the problem of the adequate provision of housing for all income groups on a regional basis. The relation of housing to schooling is obvious and vice versa. Education policy and housing policy need coordination and this coordination is a part of regional planning.

Education is a tool of economic development. The investment in people has become one of the community's most important ways of affecting its future. Vocational education, technical institutes, manpower training and retraining are major means by which local communities can improve their economic base. Well developed cooperation among the educational institutions of a region can make a significant contribution to meeting the manpower requirements envisioned in plans for regional economic development. Well developed regional economic plans and an organized regional labor market are essential to providing leads to educators on the present and future job mix that should guide vocational education.

Regional educational cooperation should result among other things in community colleges and technical institutes. It is the responsibility of the state to see to it that the development of these institutions is neither fortuitous, haphazard, or unrelated to the needs of the state's youth and its regional development. Community colleges and technical institutes are important factors affecting the location of industry, major resources both for training manpower and for providing local pools of scarce know-how.

In addition they can be centripetal institutions around which a shared sense of regional identity and purpose can develop. State planning takes account of regional planning, indeed that regards regional planning as the means of its own localized realization, will have major concern for the whole range of regional education development and its relation to regional social and economic goals.

Health as well as education is subject to economies of scale. Adequate public health service is beyond the fiscal competence of many communities. Unlike education, states have done little to insist on this function being adequately performed locally. Its local inadequacies rarely make headlines except in cases of gross scandal. Since for many communities there are neither sufficient resources nor adequate markets to justify even minimally adequate health services, this function clearly lends itself to regionalization. Regional planning can and should encompass measures to provide adequate levels of various health services to meet regional needs. The state's health plans should envision a regional system of

delivery that will set a floor under available health services. State assistance can encourage regional cooperation and state insistence on the provision of minimal standards can spur local cooperative efforts.

As in education, it would probably be unwise to seek to equalize services in any uniform fashion but a reasonably adequate floor should ensure essentials while permitting latitude for individual initiative and higher standards among communities.

Departures should occur, however, from a fairly high basic level. Regional health planning and operations need coordination with education, welfare, code standards, and enforcement and sanitation and indeed mental health and the whole field of preventive medicine. A major value of state planning can be to give guidance and incentive to regional planning and operation in seeing and bringing about effective interrelation between functions that are too often compartmentalized. A major contribution of the Poverty Program to our knowledge has been the discovery of the close correlation between sickness and dropouts and ill health and chronic unemployment and dependency among minorities.

Public safety is among the most basic responsibilities of the state. In many cases its provision has been mandated to local governments who provide only the most primitive, if any, form of service. In the day of the automobile the village constable officers appear an anachronism or worse. Adequate police protection is a fiction in many jurisdictions. Even where specialized, full time personnel are provided the level of competence and the capacity to deal with other than routine is lacking. There seems good reason to believe that the state has a responsibility to see that adequate levels of public safety are provided to all its citizens. Programs to provide incentives for regional cooperation at least in the provision of communications, technical services, and training could be the beginning. For those communities unable to meet minimum standards an option might be provided to either contract with another community, a regional police if one were created, or a regionalized facility of the state police. The latter is a possibility which in this and other functions might prove more acceptable to towns fearing another level of government.

The provision of water in the past has been the responsibility of local governments acting individually or in concert or even of the individual citizen. Faced with a growing scarcity of water resources and a projected population growth that will double the state's inhabitants in thirty-five years, this function can no longer be left to the chance activities and limited capacities of local governments. The state itself needs, on a state, and even interstate, basis, to assure the future water needs of its citizens. At the state level this might mean state acquisition of major water resources in state and outstate and state functioning as a wholesaler of water.

At the regional level the state might either deliver water to a regional body composed of towns and cities or in the alternative be the wholesaler to town, municipal and private water agencies. The provision of water is a major factor in the determination of economic development and land use. A major state capability in water supply would provide a significant instrument for giving reality to state development planning. Likewise regional planning that could depend on trunk line water siting would have a major device for promoting regional development and directing regional land use.

Concern with water pollution in an urbanized and increasingly crowded state, as well as basic sanitary needs, argues for increased state concern with the problem of sewerage. Inadequate piecemeal local arrangements have proven costly and hazardous. Economies of scale are great. State control and development of drainage basin is likely to prove the only satisfactory way to secure their efficient, sanitary and recreational use. These drainage basins are unlikely to coincide with regional boundaries for other purposes. At the level of multipurpose regions, however, either regional body or the state may be appropriate to provide trunk line sewers and connectors to state developed drainage basins. The siting of main line sewers, along with the provision of water, are major tools of land use and development. It is important that these tools be used to further state and regional development and land use planning.

Solid waste disposal has become one of the top items of municipal expenditure. More importantly local governments are running out of appropriate locations for disposal such as sanitary land fills. In addition, incinerators, unless of a highly costly sort, contribute to air pollution. There seem real economies of scale in solid waste disposal. New devices that are beyond the fiscal abilities of local governments may be within their collective regional capacities or, in the alternative, can be undertaken regionally by the state as a service to local

governments. Regional planning should have as one of its objectives the appropriate siting of solid waste disposal facilities. In a state the size of Connecticut this might well form part of state planning as well.

Responsibilities of the state for regional transportation have rarely been faced except in the case of the commuter railroads. State highway departments have rarely planned their grids with any real concern for a regional transportation system. Indeed, even where state and city highway engineers have worked together, they have seldom given thought to more than the auto and the truck. The possibility of mass transportation, not only rail, but more importantly, bus, have been largely neglected in planning both highways and traffic control. Along with sewers and water, highways are a major means of influencing land use and economic development. The state highway grid should not only be a major instrument for realizing the state's development plan, its regional components should also be major means for giving reality to regional planning. To see to it that regional planning is reflected in highway planning, and state highway objectives are given regional consideration, it would be desirable to decentralize the highway department to the planning regions of the state and have the state regional highway engineer work closely with the regional planning commission.

In the past, housing would not have seemed a regional responsibility of the state. However the state does have a concern that adequate stocks of housing should be available for the various income groups among its citizens. Individual local governments frequently lack land and resources to meet the needs of their citizens. Experience with urban renewal indicates that if local governments are left to themselves they may play a game of musical chairs with the poor as they seek to avoid service costs and increase tax yields. An adequate attack on the problem of providing low income basis requires the organization and development of the regional housing market. A cooperative regional agency made up of local communities might be able to undertake meeting the regional needs of low income housing.

Clearly meeting these needs involves the redistribution of resources and so is likely to require state and national assistance. In any event, the state will wish to have its state planning envisage the magnitude of low housing needs in the state and the feasible alternatives to meet them. Realistically this will require that regional planning develop these needs regionally and regional alternatives for meeting them. The state's support of regional planning commissions should provide funds for making the requisite housing studies and the development of this data could well be one of the services that the state might require in return for its financing.

Economic development is already accepted as a state function at the state level. Much of state planning can only be given concrete reality in the regions. Regional economic development planning needs to be coordinated with that of the state. Indeed the regional planning commissions should be a connecting link between local and state planning. Regionalized state administration in highways, water, sewers, conservation, education and other areas can back regional plans and provide a parallel linkage between central state administration and governments of the region. State policy can do much to make regional economic development planning more than the competitive scramble for tax base that it now is. State fiscal policy needs to be developed in such a way as to reduce the tremendous pressure to seek property tax revenue. In addition devices need to be found to give local governments incentive to pool resources in the creation of joint industrial parks, the organization of the labor market and even the use of a member community as a regional growth center.

The state has begun to regard itself as a custodian of the quality of the environment for its citizens. This constitutes a range of objects that run from physical and even health concerns with air and water pollution to recreational needs for open space and on to esthetic concern with the preservation of natural and man-made things of beauty and even to a general concern with urban design.

While the state may inventory its physical and man-made treasures and seek to assure their preservation, the continuous process of creating the patterns of urban settlements involves active participation in the making and remaking of urban design. The state can itself exert leadership in showing interest in good design from its public buildings to its road side parks, police cars and even letterheads. Good design is ubiquitous in application. Connecticut as a state might well seek to have good clean design its trademark. Auto license plates which the Swiss have made into jewels are little but cheap metal posters when used here at all. Regional planning commissions will need additional financial

support and state regional cooperation if they are to put significant emphasis on urban design in their planning. State cooperation could give an assist to efforts to achieve patterns of land use giving design considerations due weight.

If the range of state concern in regional development covers something like that set forth in the preceding pages the question arises as to what role the state might fill in giving expression to its concern. In the first place, the state through its agency the C.D.C. has given definition to planning regions in principle covering the whole state. The criteria used by the C.D.C. for delineating the regions seem reasonable ones for the creation of multipurpose planning districts. It would seem to follow that if the regions are appropriate areas for planning they are equally appropriate areas in which plans might be carried out. The planning regions of the C.D.C. have the great merit that those at least that are functioning represents a deliberate choice by their component political units, the towns, to work together. The existence of a will to work together is a major difference between what might be called a political region and a mere administrative area.

Assuming that C.D.C. criteria for regionalization are satisfactory and that the degree of success in developing regional identification and a regional process can go forward, the state in the fortunate position of having the problem of territorial definition of most of its regional concerns more or less on the way to solution. Problems such as the Connecticut River and Long Island Sound will clearly require a different and overlapping solution but the great bulk of state regional concerns may well be met within the existing and projected planning regions.

The regional planning commissions are very interesting bodies. They receive their support from three levels of government, federal, state, and town. While far and away their greatest financial support comes from the federal and state governments, commission members have in their testimony repeatedly referred to the towns as their well-nigh exclusive clients. Indeed, they speak of an almost inviolate commitment to the towns that this should be the case.

Hopefully this represents an extreme and transitory view. They are quite obviously important state and federal, and for all three levels of government, common regional interests to be served. The recognition of the diverse legitimate interests and their appropriate reflection in the regional planning process is a major challenge to the planning commissions and a major contribution that they can make a creative and cooperative solution among the various levels of government. The federal government has found in regional planning a needed corrective to the fragmentation and frustration of its programs in the tangle of local jurisdictions. Similar concerns with a failure to achieve or even envision appropriate regional objectives may bring the state to a concern like that of the federal government.

Regional planning and the spate of federal programs requiring regional planning offer a singularly promising opportunity for the state to reassert itself in areas in which it has increasingly been bypassed. By itself determining the appropriate regions and appropriate planning agencies to see that federally sponsored local programs take shape in accordance with a regional planning process that it designates and approves. In fact the state can do much to bring about what Washington has failed to do. It can channel the diverse federal programs through a single regional planning process.

This would obviate the confusion and duplication of the plethora of federal planning requirements now fashionable. While it may be believed that powerful federal departments would resist submission to a common regional planning process there is any ally in the White House seeking a similar end. To be sure functional agencies at all levels will join in the cry that their unique characteristics require separate planning processes. Their power should not be underestimated. They worship at the shrines of the potent gods of things as they are and have been. However if regional planning is to be more than an exercise in the rhetoric of good intentions it must achieve coordination in the furtherance of plans of largely autonomous functional departments.

To make the regional planning commissions effective representatives of state purposes in their negotiations with the federal bureaucracies, the state will have to pay the price in terms of adequate staffing and other resources. It will need also to insist on the representation of the state point of view in the regional planning process. The C.D.C. state development plan clearly needs to be reflected in regional plans and vice versa. It is doubtful whether the C.D.C. itself has the staff and resources to carry out state development planning that would comprehend at the state level the range of regional objectives that have been suggested in the hearings. The C.D.C. needs to be capable of playing a role

that would provide the intellectual basis for coordinating major state program activities.

This would imply not only providing adequate resources but the positioning of the agency in relation to the Governor and the Legislature so that its planning would serve as staff work for both. Hopefully, C.D.C. development planning would make clear needed interdepartmental coordination to secure the realization of planned objectives. C.D.C. planning could provide Governor and Legislature alike with a needed body of data, indicators and program alternatives to deal with problems confronting the state. Gubernatorial and legislative action can transform planning from harmless and decorative art for art's sake into a serious tool for responsible political problem solving.

The C.D.C. could profitably embrace the present functions of the federal Council of Economic Advisors with the added social dimension that that body now lacks. As the staff arm of Governor and Legislature, it could provide the data and interpretive material needed for a significant gubernatorial report on the state of the state. Its trend data could provide the people of the state significant indices as to progress, or its lack, in a wide range of areas including employment, investment, education, health and the like. By making these trend data salient, public attention could be focused on targets that must be met if the doubling of the state's population is to be effectively managed and progress toward targets attained.

A joint committee of the legislature might, like that of the Congress, provide oversight for the work of the C.D.C. and interpretation of its findings to the legislature. Effective cooperation between the C.D.C. and the state's budget office could vastly improve the possibilities of program budgeting and give the budget process added meaning by relating it to the state's planning process.

The legislature by specifying data to be gathered by regional planning commissions could provide needed information for the C.D.C. and means of determining how regional and state plans and their implementation were progressing. Even more important, by specifying that certain data should be secured and reported, the state can insure that important facts of regional life are called to the public attention. Thus, data on education, low income housing, welfare, health, pollution and the like can be presented in a way that will receive stress in the media and put a spotlight on regional sort spots that require attention. Data can be given added salience by relating their magnitudes and directional change to grants or other state actions. The development of a striking array of regional data, presented in such a fashion as to stress regional identity and consciousness, can serve to increase tendencies to cooperative problem solving.

While the regional planning commissions have, in their Commission testimony, indicated considerable reluctance to take on the job of implementation, there is no reason why their plans should not be given effective support by all agencies of the state active in the region. Certainly to the extent the regional plan embodies objectives valued by the state and even implied in C.D.C. development planning, this would only make sense. Indeed, it is suggested that the regional planning commissions be funded and staffed to the point where they can undertake regional planning for the state as well as for the towns and that required by the federal government. Since the planning commissions are reluctant to become overtly policy and hence, they believe, political organs, they will need a body or bodies on whom they can rely for policy guidance. There is some disposition to regard the Regional Council of Elected Officials as such a possible body. Given the planning commission's conception of themselves as purely technical bodies, the development of a body such as the Council may be necessary. However, if it does, the planning commissions may turn out to be superfluous intermediaries between the Councils and their staff arm.

In addition to the Councils of Elected Officials who may or may not develop real institutional vitality there is another source from which the planning commissions could derive both policy guidance and implementing power. This would be from a state administration decentralized to the various planning regions and coordinated in its action to support regional planning.

If the state has important purposes to achieve at the regional level and these purposes cannot be fully realized through the existing pattern of local government and they require a regional instrumentality, the regionalization and regional organization of the state's own departments could go a long way toward filling the regional institutional vacuum. In fact, having abolished the county, Connecticut is in a good position to experiment with administrative regional decentralization as a means of meeting needs that elsewhere have led to turn-



ing counties into municipalities and the largely vain search for acceptable forms of metropolitan government.

There is further advantage in using regionalized state administration to meet regional needs stemming from the general confidence in the competence and legitimacy of the state government that it avoids the general fear of a regional supergovernment and the creation of a new and unknown political entity. In fact, it can be argued cogently that the regionalization of state administration is a major step that would bring government closer to the people it is intended to serve. A regional engineer of the state highway department concerned with both the development and implementation of regional transportation would be in an excellent position to interpret regional needs to his department and state needs to the region. If the heads of the regional offices of state departments were in a position to participate actively in the regional planning process, as they should, the emerging plans would not only provide coordination for departmental activities in the region, they would also constitute so many work programs that might well have a place in a regionalized state performance budget.

A significant value in so regionalizing state administration that it would be capable of performing as a regional entity the range of functions of an urban county such as Los Angeles, is that towns and other local governments might be permitted, and find attractive, contracting with the state regional administration for the provision of services. A Lakewood Plan could be made feasible. This would permit local governments to gain the economies of scale by contracting for functions that they find uneconomical to perform. Regionalized state police might be in a position to provide law enforcement. Health services and a wide variety of others could be contracted for. If the state were to develop its regional capabilities so as to offer an alternative to a separate regional government, it could build-in regional capabilities in water and sewers as well as its present capability in highways. With these utilities, it could make a major contribution to successful regional land use planning. Additional staff for regional planning commissions would make it possible for the commissions to assist local governments in their planning and relate that planning to state, local and regional objectives.

While much of what a regionalized state administration might do could arise from the desire of towns and other local governments to shift the performance of some of their functions, an important part would come from regional needs which are presently either not being met at all or not met adequately. It would be useful to look at each state department and see what its contribution to meeting unmet regional needs might be.

Welfare, health, education, highways, police and the general area of public works suggest themselves as key functions that taken together would provide the core of a regional government. A state department of education, for example, might have an important responsibility in the provision of community colleges, technical institutes and specialized educational services. This would not need to be an exclusive responsibility but might be shared with local governments in a region. However if local initiative was inadequate to provide effective leadership, the state would have the responsibility of seeing to it that needed educational opportunities for the region's youth were provided.

In general it might be hoped that the education people in local government and the state regional office would work closely in planning to meet regional needs and relating educational programs to other aspects of regional development. Where local governments are not active in a function, state regional action may be concerned with the function exclusively or in cooperation with the relevant federal people. Developing the regional labor market could be an important state program which might be shared with the U.S. Employment service. Of course this function has important relations with education, welfare, housing and even transportation. Those concerned with regional economic development will also be acutely aware of an effectively organized labor market as a means of mobilizing a key regional resource.

A regionalized state administration to function as an alternative to a metropolitan government would require a regional executive and would find some regional representative body desirable. The need for a regional executive could be met by a regional officer of a state department of administration in effect representing the Governor. His function would be mainly coordinative but might develop along the lines of the country manager. Obviously, a regional executive would be severely limited in exercising control over line department staff and this is a weakness that has to be faced. However any coordination of line departments is difficult at best. In view of the Connecticut departmental

tradition and the staff weakness of the Governor, it may seem naïve to hope to do in the field what scarcely occurs at the State Capitol. However a regional executive could be given budgetary, personnel and other powers which would insure some coordinative power. The preparation of a regional budget and relating it to the regional plan could be a significant means of developing priorities and program emphasis. If regional budgeting and regional planning were taken seriously at the State Capitol, they would inevitably become effective coordinating devices.

A more important task for giving political vitality to the planning regions is that of mobilizing a regional leadership that could transform regionalized state administration into regional local self-government. The Council of Regional Elected Officials is one embryonic institution that might provide an elective body for promoting policy. It has been suggested that the planning commissions might serve as staff to the Councils if they develop. Should the state regionalize its administration the appropriate personnel might play a staff role too. In order to provide fuller representation to the people of the region their legislators might be added to the Council.

A body so composed could have the function of discussing guide lines for the regional plans, means for their implementation and the related budget of the state regional administration. While possessing no final authority the body could be given the power to make recommendations to the state, its departments, and the local governments. It is entirely possible that there might be some areas of regional activity in which the Council might be given full powers. In any event, if the Council contains a fair share of the region's outstanding leaders, its recommendations could be counted on to carry great weight with all levels of government, state, local, and federal. The presidency of the Council might well become a significant locus of leadership in the region. It would be important that the post attract first rate talent. An able leader in such a post could do much to develop regional identity and sense a shared purpose.

Down the road the state may wish to give the people of the regions an opportunity to set up their own regional governments. In which case they might take over regional functions performed by the state and state personnel. Or it might be possible to have an elective regional body setting regional policies and budgets but making use of state personnel instead of their own. The way our federal system works now, all levels of governments make use of one another's personnel and it is not necessary for policy purposes to have exclusive rights to your civil service.

What are perhaps more important considerations than who owns the regional civil service would be the scope of regional authority and the matter of revenue. The regions might well be modeled after municipal corporations with their powers limited by their compatibility with the existing local governments in the region. In the matter of revenue it seems important that though the state insure a floor of adequacy under the essential services for its citizens, that scope be given to the different regions to raise resources for qualities of service that others may not desire. This may put some strain on poorer regions in competing for quality personnel such as teachers. The state probably has an obligation to prevent serious hardship. Some hardship and even invidious comparison seems a worthwhile price for individuality, quality, and innovation.

If land use planning is to be taken out of the hopeless impasse of desperate intergovernment competition for real estate taxes, it is probably necessary that the state should remove the cause of the competition by preempting the tax on commercial and industrial real estate and possibly some other forms. The state should be able in return for taking these real estate taxes to provide local governments with equivalent revenues on the basis of some equitable formula. It could probably replace the property tax with one more suitable to the businesses involved. Some local revenue source is needed to give cost control and sense of serious participation to local government. The capacity for self taxation is probably pretty closely related to the desire and the capacity for self government.

Both the residential property tax and some form of earnings tax along with the sales tax suggest themselves as major sources of local revenue. The important objective is to find a way to divorce local concern with land use from the present preoccupation with maximizing tax revenue. The other side of this coin is local concern with land use, namely low income housing that may produce a sizeable population whose service costs are high and whose tax returns are low.

In view of the critical importance of low income housing, the state may not only wish to assist in its construction but beyond this to provide an incentive to

local communities to zone some of their land for this kind of use. Recognizing the costs to the community of this kind of property the state may wish to provide grants to encourage communities to accept the costs for some part of their total land use. They will want regional planning commissions to provide data on the regional requirements of low income housing and how they are to be met. State policies will need to help make the regional plan attractive or at least palatable. As a major state and local responsibility, this is an area where the whole kit of tools will be required. If regional planning can develop a pattern of proposed land use that meets the problem by sharing it in such quantities as to allay fears there is a chance that it can succeed.

In a day when federal, state, and local governments are hopelessly and probably desirably entangled there is little chance of sorting them out. The marble cake federalism of the late Professor Morton Grodzins is here to stay. That government which most knows its own mind, and relevant facts, is most likely to have the ideas and lead the way. Connecticut has taken a long step towards exercising leadership by creating the C.D.C. and the regional planning commissions.

The legislature needs to see to it that these bodies gather data on the items it thinks important and develop plans that deal effectively with the urgent economic and social problems that confront the state. The planning bodies to be fruitful should be staff to those who can turn their plans into action programs. Rather than being divorced from action, they need to be joined with the agencies of policy and administration. Properly used the regional planning commissions, as agents of the state as well as the towns, can bring some order into the rash of federal programs that now require regional planning. In doing so they can bring the state back in the act and put a stop to its being bypassed.

Regional administration can both give implementing powers to the planning commissions and provide a regional alternative to metropolitan government. The state might even do well to provide housing for not only its regionalized administration but in addition the planning commissions, the Regional Council of Elected Officials and federal regional staff as well. It would be a big assist to effective regional planning if the state not only pressed to standardize regional planning requirements through regional planning commissions but in addition worked to make federal regionalization coincide with its own.

Washington is probably more open to creative state leadership than it has been in a long time and Connecticut is in a position to lead what could be a parade.

Should the state decide to regionalize its administration as an alternative to metropolitan government it could in effect bring its government closer to the people. By recognizing local officials and representatives in the planning process, and a state regionalized budget a real step would be taken to create a new form of local self government responsive to the people and meeting hitherto unmet regional needs.

This would serve both to increase governmental scale and yet by bringing the state itself nearer to the people it would be reversing the seemingly inevitable tendency to big and remote government. By equipping both state and local government to deal with regional problems it would increase the vitality of local self government and prevent its erosion. By providing an effective set of institutions to coordinate federal programs the state would restore its authority in areas which it has been increasingly bypassed. Hopefully a regionalized state administration with a local, representative policy recommending body might begin the task of working out an interrelated state, federal, local coordination of action in which the values of local self government can be preserved and even strengthened.

## COMMENTS OF JESSE BURKHEAD, PROFESSOR OF ECONOMICS, SYRACUSE UNIVERSITY

Congressman Bolling's proposals for a national planning act that would move to strengthen Federal regional offices seems to me to be an important step in the direction toward which our Federal system should move. The order by President Nixon to require major Federal departments to establish common regional boundaries and common headquarters within these regions lays the basis for this type of significant decentralization of the Federal establishment.

James L. Sundquist and David W. Davis, in their outstanding contribution, *Making Federalism Work* (Brookings, 1969) argued most persuasively that the first and foremost problem of federalism is the coordination of national Government programs. They proposed that the Federal presence within regions be strengthened by the appointment of officials responsible to the Executive Office of the President. In my judgment such officials should be staff members of the Office of Management and Budget, but located, of course, in the regions. In such capacity, again as emphasized by Sundquist and Davis, they would have the responsibility to coordinate Federal programs, including grants-in-aid. The Department of Labor cannot "coordinate" the Department of Housing and Urban Development or vice versa. Only a representative of OMB would be in a position to organize governmental programs, horizontally among Federal departments and vertically among Federal, State and local government departments and agencies.

In my view the representative of OMB in such a capacity would have responsibility for (1) exploring gaps in existing regional programs in which the Federal Government has a direct or indirect interest, such as housing, transportation, air pollution, water pollution, and manpower training, (2) investigating the extent to which such program gaps are administrative or fiscal in character, (3) promoting and strengthening regional planning agencies of various types, including multistate agencies, metropolitan area agencies, or functional agencies, such as metropolitan area transportation planning agencies, and (4) attempting to establish patterns of coordination among such planning agencies with respect to the exchange of information on the data base for planning, and the utilization of a common set of economic and land use projections.

This approach will, of course, encounter difficulties and problems, not all of which can be foreseen in advance. Precise goals and objectives probably cannot be spelled out in a statute. Rather, enabling legislation should emphasize procedures and such admittedly vague phrases as "coordination" and "planning."

For example, some experimentation would surely be required in the matter of advisory committees and citizen participation in relation to the OMB regional staff and in relation to regional committees in such areas as manpower training, housing, transportation, and the like.

Initially it would appear most feasible to rely on existing elected and appointed officials to satisfy the participation requirement. For multi-state regional problems, a regional advisory committee might well include Governors, Congressmen, and Senators, as well as selected mayors, county executives, and major program administrators drawn from State and local government agencies. It is difficult to see how it would be possible to elect a regional legislature from a multistate region.

But citizen participation cannot start and stop at the level of existing officialdom. Where subregional units such as SMSA's are involved, different patterns of citizen participation would surely be required.

Similarly, experimentation will be necessary with respect to the resources that may be available to the OMB regional coordinator. It is certainly true that the coordinator's authority would be greatly enhanced by the possession of funds with which to fill in program gaps and elicit interagency (both horizontal and vertical) cooperation. But at the same time, the regional coordinator may appear to use such resources in a manner that will threaten existing agencies and departments. This latter consideration would suggest that his funding power, at least at the outset, be modest.

As the foregoing paragraphs suggest, I feel that Congressman Bolling's proposals are an important forward step in decentralizing and strengthening our Federal system. But regional, federally appointed coordinators may not be so viewed by State and local government officials and their constituencies. They may be viewed as an incursion on "States rights" or "home rule." Such views, and they will be expressed, cannot be brushed aside.

However, there is another set of considerations that may bring State and local support for this kind of Federal decentralization. First, there is growing State-local dependence on Federal grants-in-aid and continued State-local demands that additional resources be transferred from the Federal Treasury to State and local government treasuries. From the vantage point of States and local governments, such grants-in-aid are never adequate to meet program needs. Therefore, there is an intergovernmental interest in assuring that scarce Federal resources are effectively spent at the State and local government levels. Regionalization should help to assure this.

Second, there are growing demands for coordination of government programs at the local level. Recently the Onondaga County (Syracuse) commissioner of social services observed that there were 36 job training programs in the county, administered by public, semipublic, and private agencies. In the words of the commissioner, these programs "are imbedded in confusion and sadly in need of coordination to become effective."

A federal regional coordinator would, at minimum, have the opportunity to bring order out of this kind of local chaos. At present there is no governmental structure that can provide this opportunity.

## THE SUBURBAN CRISIS AND INDUSTRIAL MANPOWER COMMUNITIES: A SOCIAL PLANNING PROPOSAL\*

By RICHARD P. BURTON, *The Urban Institute, Washington, D.C.*

Think of a difficulty typical of the urban crisis. You will find it in the suburbs as well.

Each morning, New Yorkers wait out traffic jams on the Grand Concourse. But the daily traffic count for our suburban neighbors today approximates the congestion in Queens and the Bronx.

Each month, high rents reflect the housing squeeze in Manhattan. But Nassau County is worried about a shortage of at least twenty-five thousand low and moderate income homes.

Each year, welfare costs rise on the lower east side. But in Stamford, Connecticut, the welfare budget has climbed by 60 percent in the last two years.

This winter, austerity is the watchword in the city—as it was last fall in West Hempstead, where the school year began on a tight budget.

And other things that have been tough in the city are now even tougher in the suburbs. For the last four summers, New Yorkers looking outward saw racial unrest all around them: Disruption from Asbury Park to Plainfield to Wyandach. At times, New York almost seemed a relatively quiet city surrounded by a riotous region. And, in the first half of 1970, the crime rate in the city declined—while it shot up 29 percent in Darien, Connecticut. This month, unemployment is 4 percent in New York City and 5.1 percent in Suffolk County.\*\*

John Lindsay's statement is most unusual for, until recently, the urban literature has contained few explicit references to an impending crisis in the suburbs. To be sure, suburban sprawl and the lack of planning, and so forth has long been universally deplored. But domestic difficulties of "crisis" proportion have been traditionally urban—the exclusive property of our central cities. Thus, in spite of an abundance of clues in the postwar record of metropolitan development, any well-considered acknowledgment of an emerging "suburban crisis" in the early months of 1971 might well get written off as short-sightedness, a distraction from proper concern with the urban crisis—a capitulation to current events. Nevertheless, the purpose of this paper is not to dismiss this frenzy but, quite the contrary, to indulge heavily in it, first by way of establishing the principal characteristics of such a crisis and, second, by offering a remedial proposal: the Federal organization of low-income new towns—industrial manpower communities.

But the essential purpose of our inquiry responds to the basic question posed in part 1 of these hearings: How to adapt political institutions to facilitate planned solutions to regional social and economic problems, but at the same time retain a maximum of local and even neighborhood political power. In many respects, this effort parallels the proposal for metropolitan States that I have developed in part 1 of the hearings, inasmuch as (i) both are concerned with the prin-

\*I am indebted to Kenneth Paul Fox for his general assistance and for preparation of the appendix materials.

\*\*Remarks by Mayor John Lindsay before a meeting sponsored by the Suburban Action Institute, New York City, December 17, 1970.

ciple of governmental decentralization as a means of engaging domestic crisis brought about by the metropolitanization of society, (ii) both represent a search for new organizational alternatives consistent with our Federal structure of government, and (iii) both are strong advocates of the general principle of governmental polycentrism. Perhaps the major dissimilarity between the two proposals, however, is reflected in the weight of this essay's focus on social (redistributive) problems in the metropolitan area, as well as these might be distinguished from economic (allocative) problems—the dimension of the urban crisis particularly addressed by its predecessor, the metropolitan State.

Of course, there are other prominent differences as well; here, for example, local government serves as the object of governmental reform. Additionally, it would appear that the notion of Industrial Manpower Communities is considerably less heuristic and out of reach as a reform concept. Indeed, a number of experiments in low-income new towns, ranging from Clarence Stein's Radburn to McKissick's Soul City, have furnished important precedent, as well as subject matter critical to the field of social planning. The field, nonetheless, is of recent vintage and the concept considerably undernourished. Thus, I wish to accomplish two objectives in the pages that follow: (1) to extend the low-income new town concept by relating it to some of the basic principles of urban public finance theory, and then (2) to offer the Industrial Manpower Community as a substitute for the current administration's Department of Housing and Urban Development strategy of ghetto dispersal—their alternative to urban renewal, or what has aptly been termed "gilding the ghetto" by Daniel Moynihan and John Kain, the chief architects of the ghetto dispersal strategy.

Note that the position adopted here does not contest the principle of reducing the size of the ghetto and "putting the resources where the solutions are, not where the problems are." When one considers both the past record of urban renewal and the greatly expanded supply of jobs in suburbia, such a policy seems clearly preferable to prolonged ghetto-gilding. What is taken issue in this paper is the current strategy of dispersal which apparently favors a plan of forced housing integration for existing suburban communities. I am convinced by the analysis presented below that such a strategy is as politically unsound as it is sociologically untenable, and that what is warranted instead is a plan based on what I shall refer to as collective integration—implemented by the organization of Industrial Manpower Communities. It will be argued that such a strategy would not only—

(1) Ease the suburban low-income housing shortage,

(2) Relieve population pressure on the central city ghetto, which would greatly improve the possibilities for effective urban renewal,

(3) Ease the fiscal pressure on the central city,

(4) Provide access to suburban jobs on an equal opportunity basis,

but would also—

(5) Obviate the need for forced housing integration in existing suburban communities,

(6) Preserve, not disperse, Black political power,

(7) Provide a density-controlled residential environment for low-income human development with access to light, air and open space,

(8) Establish a basis for planned suburban development.

Once again, the central theme of this proposal reflects a rising consensus that major surgery represents a necessary condition to relief from the compound fractures of our metropolitan society. Unfortunately, most of the Federal programs and proposals advanced in the last 20 years, ranging from urban renewal to revenue sharing, have been notably expedient, for they would administer to these ills with what amounts to little more than aspirin in the absence of basic institutional reform at the State and local level. And their consequent lack of effectiveness represents a rather embarrassing chapter in our rich heritage of statecraft.

Therefore, a fundamental operation in our federal system of government is once again recommended, this time through the organization of federally financed, low-income suburban communities—a missing link in our system of local government in the metropolitan region. In combination with stern enforcement of our fair housing policy, such a plan would provide access to suburban housing for all residents of the central city ghetto, access without that kind of interference in the economic affairs of existing communities which President Nixon has rightly identified as improper governmental conduct.

## I. THE EMERGENCE OF THE SUBURBAN CRISIS

Glimpses into the dark possibility that “the golden days are gone in suburbia” are increasing at a rate almost commensurate with the evolution of the suburban crisis itself. As the evidence filters in, however, it is beginning to appear that the pattern lacks few distinguishing features of its own. This is not to depreciate the importance of this newer crisis, but to suggest that a reasonable parallel may be drawn between its key economic and social ingredients and those of its parent, the urban crisis. An excellent example of this parallel has been provided by *Businessweek's* recent identification of the following characteristics most typical of the worsening conditions in suburbia:

Heavy reliance on the property tax to finance essential services has boosted rates to levels often higher than those in the central city. The suburban taxpayers' revolt is not fiction; Voters in burgeoning Orange County, Calif., have turned thumbs down on more school bond issues than they have passed over the last 5 years.

A growing body of court cases, carried by alliances of civil rights groups, social theorists, and the Federal Government, is threatening suburban zoning practices, especially in housing. The result: Many suburban communities have grown even more defensive in their land-use policies.

Suburban black belts, thin minighettoes that stretch across several adjacent communities, usually older ones closest to the central city, are expanding. In such suburbs, a cycle of urban renewal is beginning. At the same time, the increasing cost of social services for their poor has helped push suburban county budgets out of shape.

A plethora of overlapping jurisdictions augments tax burdens and often impedes both rational land-use planning and the responsiveness of local government so highly valued by suburbanites. In the Chicago metropolitan area, there are 1,113 local governments, or 186 per county. Most suburban residents are served by at least four: a county, municipality, school district, and one or



more taxing districts whose functions range from garbage collection to mosquito control.<sup>1</sup>

So here we have it: fiscal crises, residential exclusion and land-use crises, ghetto formation, organizational crises \* \* \* each familiar themes, all endemic to the urban crisis. The question of major significance, however, is: why is all of this happening—why is the urban crisis now spilling over its boundaries and spreading into the suburban sector, in spite of society's past efforts to sequester these problems behind artificial central city walls? Urban economic analysis has supplied a number of interesting hypotheses concerning the growth and spatial structure of the metropolitan area, but perhaps the most satisfactory of all has been advocated most consistently by John Kain who has argued that:

The location, or spatial distribution, of employment is the most important determinant of urban form or structure. Changes in the location of industry are the principal determinants of changes in urban form.<sup>2</sup>

Furthermore, as Kain reasons, the suburban sector has become more attractive to industry, relative to the central city, because of basic changes in production and transport technologies. On the transport side:

Intercity and intracity motor trucks freed most producers from having to crowd into the limited area near deep-water ports or railroad marshalling yards. Only firms using very large amounts of bulk commodities remained closely tied to the ports and railways. For an increasing number of firms, outlying locations near major intercity highways and suburban beltways became more advantageous. When their centrally located plants wore out, many of these shifted to new locations in outlying areas.<sup>3</sup>

And, on the production end:

The locational impact of these changes was reinforced by other factors, including the adoption of space, extensive methods of production, materials handling, and sales epitomized by the spacious single-story warehouse and factory, the forklift, and the supermarket.<sup>4</sup>

As an addendum, let us suggest that these private sector determinants of industrial location and employment (and, thus, urban form) are readily supplemented, not replaced, by public sector considerations. For example, with their expropriation of the income tax base, Federal and State Governments have committed localities to heavy reliance on the property tax in a period (1940-70) of rapid urbanization and consequent heavy demand for increased provision of local public goods and services. Caught in these pincers, most central city localities have turned to Washington for various kinds of financial aid, whereas suburban localities have increasingly attempted to attract "footloose" industry (at favorable rates) in order to secure property tax relief through industrial ratables.<sup>5</sup>

Next, we may inquire as to whether or not the data support this hypothesis. Has the suburban sector in fact experienced a larger rate

<sup>1</sup> "The Golden Days Are Gone in Suburbia," *Business Week*, No. 2140 (Sept. 5, 1970); pp. 35-40.

<sup>2</sup> John F. Kain, "Postwar Changes in Land Use in the American City," in Daniel P. Moynihan (ed.), *Urban American: The Expert Looks at the City*. Voice of America Forum Lectures; pp. 81-90. Some of Kain's earlier work (with John Niedercorn) on this important issue may be traced to his "Suburbanization of Employment and Population 1948-1975," *The Rand Corp.*, P-2641, January 1963.

<sup>3</sup> *Ibid.*, p. 82.

<sup>4</sup> *Ibid.*, p. 83.

<sup>5</sup> Thus, suburban communities are not just competing among themselves for households as visualized in the Tieboutian framework, but for "suitable" kinds of industry as well.

of growth in employment and industry than the central city? The available information, as fragmentary as it yet exists, suggests overwhelmingly that such is the case. Although appendix A has pieced together a somewhat more comprehensive picture, table I is grossly indicative of recent trends in the suburbanization of industry and employment.

Thus, with a rising industrial demand for suburban space (often expressed in the form of industrial park development), higher densities—especially in the inner suburban ring—are creating the same difficulties, the same pervasive externalities that have plagued the central city throughout the last decade. And, it has already been recognized that \* \* \* “the central city crises of the 1960’s may well arise as the suburban crisis of the 1970’s.”<sup>6</sup>

### *Suburban Exclusion*

Now, and throughout the remainder of this paper, our attention will be entirely devoted to the issue of suburban exclusion, which among those characteristics identified above, represents the most critical social problem of the suburban crisis. By such a phrase, we are clearly referring to the near total occlusion of blacks and other minorities from suburban residential communities<sup>7</sup> and, hence, from suburban employment opportunities, this consequence perhaps less fully appreciated.

TABLE I.—DISTRIBUTION OF EMPLOYMENT BETWEEN CENTRAL CITY AND SUBURB

	1960		1968	
	Number	Percent	Number	Percent
Metropolitan areas.....	42,376,000	100	49,616,000	100
Central cities.....	22,787,000	54	23,096,000	47
Suburbs.....	19,590,000	46	26,520,000	53

Note: Metropolitan areas are SMSA's under 1960 definitions.

Sources: 1960, U.S. Bureau of the Census, U.S. Census of Population: 1960; Selected Area Reports: Standard Metropolitan Statistical Areas, Final Report PC(3)-1D, table 3, Government Printing Office, 1963. 1968, Annual averages courtesy of Paul O. Flaim, Division of Employment and Unemployment Analysis, Bureau of Labor Statistics, U.S. Department of Labor, from CPS.

If this is the case, then consider the breakdown of table I on a white/nonwhite basis that is shown in table II.

<sup>6</sup> David L. Birch, “The Economic Future of City and Suburb,” Committee for Economic Development, supplementary paper No. 30, 1970; p. 39.

<sup>7</sup> The white/nonwhite composition of suburbia is as follows:

	1960		1968	
	Number	Percent	Number	Percent
Suburbs.....	54,881,000	100.0	69,104,000	100.07
White.....	52,033,000	94.8	65,269,000	94.5
Nonwhite.....	2,848,000	5.2	3,835,000	5.5

### SOURCES

1960: U.S. Bureau of the Census, “U.S. Census of Population: 1960, Selected Area Reports: Standard Metropolitan Statistical Areas,” final report (PC93)-1D, GPO, 1963, Table I.

1968: U.S. Bureau of the Census, “Current Population Reports, Population Characteristics,” “Population of the United States by Metropolitan-Nonmetropolitan Residence: 1968 and 1960,” series P-20, No. 181, Apr. 21, 1969; table A, p. 1.

The impact of this pervasive exclusion, which has seen some 94 per cent of the last decade's increase in suburban employment accrue to the advantage of whites, has furnished the fuel for: (1) the great debate now being waged between (what may not so rhetorically be described as) the urban-based integration alliance on the one hand, and the white noose suburban separatists on the other; (2) the creation of a growing number of civil rights institutions dedicated to the integration of suburban communities; and (3) the recent emergence of litigation contesting suburban zoning practices.

Although suburban exclusion has taken many forms, both economic and noneconomic, it appears that the present controversy has centered primarily on the former, which is typically implemented by means of local zoning and building code practices. These practices, according to Babcock,<sup>8</sup> consist of the suburban attempt to (1) prevent the construction of apartments through the use of exclusive single-family zoning, and (2) the use of large-acreage zoning to discourage or avoid entirely more intense residential development. Note, therefore, that the new assault on suburbia is not the one that has traditionally been concerned with noneconomic, discriminatory practices (on the part of real estate agents, et cetera) against those who can financially afford to enter the suburban housing market, but is one that is directed at those land-use devices employed for the effective exclusion of the lower income classes. And its purpose, in short, is to implement the ghetto dispersal strategy mentioned above by forcing (rather than forming) suburban communities to provide low-income housing. Let us now briefly review the most significant means which are currently being used to challenge the principle of economic exclusion.

TABLE II.—DISTRIBUTION OF EMPLOYMENT BETWEEN CENTRAL CITY AND SUBURB, BY COLOR

	1960		1968		Change (1960-68)	
	Number	Percent	Number	Percent	Number	Percent
<b>All metropolitan areas:</b>						
Total.....	42,376,000	100	49,616,000	100	7,240,000	100
White.....	37,777,000	89	43,699,000	88	5,922,000	82
Non-white.....	4,599,000	11	5,917,000	12	1,318,000	18
<b>Central cities:</b>						
Total.....	22,787,000	100	23,096,000	100	309,000	100
White.....	19,099,000	84	18,501,000	80	-598,000	-194
Non-white.....	3,688,000	16	4,595,000	20	907,000	294
<b>Suburbs:</b>						
Total.....	19,590,000	100	26,520,000	100	6,930,000	100
White.....	18,678,000	95	25,198,000	95	6,520,000	94
Non-white.....	911,000	5	1,322,000	5	411,000	6

Sources: Same as table I.

Inroads on suburban zoning practices are being pursued over a wide front that ranges from direct constitutional challenge at one end of the spectrum, through the efforts of a series of formal and informal lobbying groups, to outright coercion on behalf of the Federal Government at the other; for the most part, these incursions are being

<sup>8</sup> Richard F. Babcock, *The Zoning Game*, Madison: The University of Wisconsin Press, 1966.

sought by the ACLU and NAACP, the Suburban Action Institute and other similar organizations, and the Department of Housing and Urban Development, respectively.

By far the most notorious challenge to the constitutionality of suburban zoning is represented by the lawsuit filed by the ACLU in January of this year against Black Jack, Mo., in St. Louis County, a community that has recently incorporated in what was presumably an effort to exclude the construction of multifamily housing. "The complaint \* \* \* cités violations of the 13th amendment, the 14th amendment, the Civil Rights Acts of 1866 and 1964, the Fair Housing Act of 1968, and the National Housing Act of 1968."<sup>9</sup> Lobbying efforts, beyond those traditionally committed to the quest for open housing, are also gaining momentum with the emergence of such organizations as the Suburban Action Institute (White Plains, N.Y.) which is actively engaged in attempts to persuade industry to locate in those suburban jurisdictions that either have or will guarantee to provide for adequate low-income housing.

Finally, it is necessary to consider the tack that has been taken by the Department of Housing and Urban Development in this matter. According to William Lilley's prizeworthy article contained in a recent edition of the Center for Political Research's National Journal, "HUD Secretary George W. Romney is in the final planning stage of a full-scale effort to disperse largely black and poor populations of center-city ghettos into largely white and affluent suburbs."<sup>10</sup> Lilley then summarizes how this objective is to be accomplished:

Communities will not have their funds cut off in the future if they fail to provide for low-income housing on scattered sites; they simply will not get funds in the first place.

Funds for HUD projects will be parcelled out on a priority basis, with the priority determined by how aggressively a community is pursuing low-income housing.

HUD can do this for several reasons:

Some of its programs are popular with suburbs, especially the water and sewer program, where demand for funds runs ten times HUD's supply, and communities will acquiesce to the strings HUD might attach to the grants.

The housing industry is suffering, and builders, desperate for funds to finance new starts, will accept HUD's open community policies at the grass-roots level in order to get money for construction.

HUD can make the necessary changes administratively and not have to rely on congressional support which so far, has been noticeably absent. \* \* \* HUD's program regulation route for implementing open communities has three major components:

Enforcement of a tenant-selection policy for all FHA-assisted housing and for public housing;

Enforcement of a site-selection policy for all FHA-assisted housing and for public housing;

Development of new project evaluation criteria, preferably quantifiable ones, for the urban development programs so that program money is dependent on community performance in providing for low-income housing on scattered sites.

In summary, we have observed that an important component of the suburban crisis stems from the rapid increase in suburban employment opportunities and the presence of widespread residential exclusion which have combined to produce an extraordinary social orga-

<sup>9</sup> "Suburban Housing: Loosening the Noose," *Civil Liberties*, No. 275 (February 1971).

<sup>10</sup> "Housing Report/Romney Faces Political Perils With Plan To Integrate Suburbs," *National Journal*, Vol. 2, No. 42 (Oct. 17, 1970); pp. 2251-2263.

nization problem in the metropolitan area. And its proposed solution, i.e., ghetto dispersal through a policy of forced housing integration, constitutes a serious threat to the most vital bastion of our system of local self-government—the (home rule) power to collectively determine the economic character of one's community by use of the zoning ordinance.

Rather than taking up a discussion of the economic legitimacy of land-use regulation—this has been done elsewhere admirably<sup>11</sup>—we will now consider the possibility of an alternative to the strategy of ghetto dispersal through forced housing integration: The Industrial Manpower Community.

## II. THE INDUSTRIAL MANPOWER COMMUNITY: A PROPOSAL FOR COLLECTIVE INTEGRATION

In his perceptive essay on "Alternative Futures for the Ghetto",<sup>12</sup> Anthony Downs derives the following five strategies for the future development of the urban ghetto:

1. *Present policies.*—Concentration, segregation, and nonenrichment.
2. *Enrichment only.*—Concentration, segregation, enrichment.
3. *Integrated core.*—Concentration, integration (in the center only), enrichment.
4. *Segregated dispersal.*—Dispersal, segregation, enrichment.
5. *Integrated dispersal.*—Dispersal, integration, enrichment.<sup>13</sup>

Like Moynihan and Kain, Downs clearly supports the dispersal alternative, but with regard to the relevant means, i.e., the choice between segregated vs. integrated dispersal, he forthrightly admits that:

The speculative nature of the above discussion illustrates that society needs to do much more thinking about what dispersal really means, how it might be achieved, what alternative forms it might take, and what its consequences would be.<sup>14</sup>

Indeed, this perplexity is clearly manifest in Mr. Downs' conception of applied dispersal as recently recommended in testimony before the Select Committee on Equal Education Opportunity:

These differences make it possible to achieve most of the main residential objectives of both groups simultaneously by "clustering" many lower-income

<sup>11</sup> See, for example: Otto A. Davis, "Economic Elements in Municipal Zoning Decisions," *Land Economics*, Vol. 39, No. 4 (November 1963); pp. 375-386.

<sup>12</sup> Anthony Downs, *Urban Problems and Prospects*, ch. 2 (Chicago, 1970).

<sup>13</sup> *Ibid.*, p. 41. These strategies derive from the following classification:

### Degree-of-Concentration Alternatives

1. Continue to concentrate nonwhite population growth in central cities or perhaps in a few older suburbs next to central cities. (*Concentration.*)
2. Disperse nonwhite population growth widely throughout all parts of metropolitan areas. (*Dispersal.*)

### Degree-of-Segregation Alternatives

1. Continue to cluster whites and nonwhites in residentially segregated neighborhoods, regardless of where they are within the metropolitan area. (*Segregation.*)
2. Scatter the nonwhite population, or at least a significant fraction of it, "randomly" among white residential areas to achieve at least partial residential integration. (*Integration.*)

### Degree-of-Enrichment Alternatives

1. Continue to provide relatively low-level welfare, educational, housing, job training, and other support to the most deprived groups in the population—both those who are incapable of working, such as the vast majority of public-aid recipients, and those who might possibly work, but are unemployed because of lack of skills, discrimination, lack of desire, or any other reason. (*Non-enrichment.*)
2. Greatly raise the level of support to welfare, educational, housing, job-training, and other programs for the most deprived groups, largely through federally aided programs. (*Enrichment.*)

<sup>14</sup> *Ibid.*, p. 50.

households with large, predominantly-middle-income areas, and "scattering" some individual lower-income households within smaller predominantly-middle-income areas. The only fundamental requirement is that each cluster of low-income housing should be small so that the children living in it would not dominate the schools which they attended.<sup>15</sup>

Thus, as later set forth in his six-point "More Practical Initial Program"<sup>16</sup> his strategy of combined segregated and integrated dispersal turns out to be no more than a plan of forced housing integration under guarantee of white cultural and political domination. Now, this is a curious result, for "the kind of drastic steps that Anthony Downs recommends"<sup>17</sup> seems peculiarly at odds with the otherwise excellent discussion of the socioeconomic value of community and residential exclusivity that preceded it. Such incongruity probably results from his sharing of the widely-held assumption that "suburbanization of the Negro and housing integration are synonymous \* \* \* (and the failure to realize that). Many of the disadvantages of massive, central ghettos would be overcome if they were replaced or even augmented by smaller, dispersed Negro communities."<sup>18</sup> This recognition, we suggest, represents an important possibility and permits addition of a sixth option to Downs' classification scheme for future development of the ghetto, one which we will define as "collective integration"—the strategy upon which our proposal for Industrial Manpower Communities is grounded.

Before turning directly to the specifics of this proposal, let us briefly consider the issue of collective integration of suburbia through low-income community formation (as an alternative to ghetto-gilding), first by itemizing alternative possibilities for their realization and, secondly, by briefly assessing their relatives virtues in light of the Tiebout-Buchanan theory of local government.

As nearly as I can determine, there are not more than three primary means by which low-income suburban communities may be developed:

1. *Ghetto extension*.—Gradual market solution, unforced, slum conditions.
2. *Community tipping*.—Immediate nonmarket solution, forced, quasi-slum conditions.
3. *New community development*.—Immediate nonmarket solution, unforced, nonslum conditions.

<sup>15</sup> Anthony Downs, "Residential Segregation by Income and Race—Its Nature, Its Relation to Schools, and Ways to Ameliorate it," testimony presented before the Select Committee on Equal Educational Opportunity of the United States Senate, Sept. 1, 1970; p. 27.

<sup>16</sup> *Ibid.*, pp. 35–37. A familiar shadow is cast when these points are summarized:

1. Expansion of existing subsidy programs for the creation of new low-and-moderate-income housing in suburban areas.

2. Enforcing a requirement that suburban communities receiving any federal financial aids whatsoever, including the location of new federal facilities, develop and put into practice effective programs of creating low-and-moderate-income housing.

3. Location of many new low-and-moderate-income housing units in suburban areas both in relatively small clusters and in individual scattering in middle-income neighborhoods through rent subsidies and public housing rent allowances extended to individual households.

4. Creation of new educational subsidies, or new means of financing local educational costs, that take the financial penalty out of accepting low-income residents in a community, and convert it to an advantage.

5. The launching of legal attacks on zoning barriers that totally exclude low-income residents from suburban communities.

6. Supporting extensive further research into the practical advantages of apatially mixing middle-income and lower-income households (if they really exist), and widely publicizing the results, so as to create a climate of public acceptance for the kind of strategy described above.

<sup>17</sup> N. Deakin and B. G. Cohen, "Dispersal and Choice: Towards a Strategy for Ethnic Minorities in Britain," *Environment and Planning*, Vol. 2, No. 2 (1970); p. 199.

<sup>18</sup> John F. Kain and Joseph J. Persky, "Alternatives to the Gilded Ghetto," *Public Interest*, No. 14 (Winter 1969); p. 80.

Ghetto extension simply represents the trend described above whereby the central city ghetto, in many metropolitan areas, is now spreading into those adjacent suburban communities which are in a state of economic decline. This movement, if unchecked, will doubtlessly result in the gradual establishment of a number of all-black communities in the inner suburban ring which will retain their slum characteristics.

Community tipping as a means of achieving Black communities has been suggested by Kain and Persky. Noting that "the presence of Negroes in the suburbs does not necessarily imply Negro integration into white residential neighborhoods," they argue that:

Although such a segregated pattern does not represent the authors' idea of a more open society, it could still prove a valuable first step toward that goal. Most groups attempting to integrate suburban neighborhoods have placed great stress on achieving and maintaining some preconceived interracial balance. Because integration is the goal, they feel the need to proceed slowly and make elaborate precautions to avoid "tipping" the neighborhood. The result has been a small, black trickle into all-white suburbs. But if the immediate goal is seen as destroying the ghetto, different strategies should be employed. "Tipping", rather than something to be carefully avoided, might be viewed as a tactic for opening large amounts of suburban housing. If enough suburban neighborhoods are "tipped", the danger of any one of them becoming a massive ghetto would be small.<sup>19</sup>

Hence, the Kain-Persky formula (if we may assume equivalence in their use of "community" and "neighborhood") for the establishment of black suburban communities contains a strategy of active intervention—tipping—in the existing housing market. This strategy is a deliberate one, as opposed to the spontaneous, market character of ghetto extension, and would presumably be implemented by the use of Government subsidy to acquire existing housing units for low-income households up to the point where a number of suburban communities would be tipped.

The establishment of new communities in the suburban periphery completes the strategies available for ghetto dispersal through collective integration. This alternative is clearly differentiated from all of the suburban integration schemes noted previously (including those of forced housing integration), insofar as it does not involve full or partial use of existing suburban communities. Therefore, the range of choice is essentially reduced to: (i) partial use of existing communities; (ii) full use of existing communities; and (iii) use of new communities. We trust that the first choice, i.e., partial use of existing communities, has been adequately dealt with and that the discussion may now be limited to weighing the relative advantages of the two collective integration possibilities that remain.

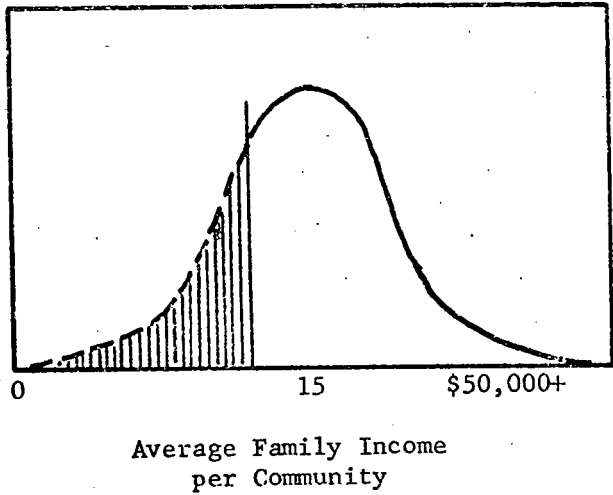
It should be noted at the outset that each of these alternatives recognize the (political) value of community, and the fact (implicitly) accounted for in the local public expenditure theories of Tiebout<sup>20</sup> and Buchanan,<sup>21</sup> that communities homogeneous with respect to low-income are not generally provided by our quasi-market, club system of local government in the suburban sector of the metropolitan area. This omission can be illustrated by reference to the shaded area in the following generalized frequency diagram:

<sup>19</sup> *Ibid.*, p. 81.

<sup>20</sup> Charles M. Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, Vol. 64, No. 5 (October 1956).

<sup>21</sup> James M. Buchanan, "An Economic Theory of Clubs," *Economica*, Vol. 32 (February 1965).

Number of  
Suburban  
Communities



This diagram simply takes note of the fact that the missing link in our system of local government results from the non-existence of suburban communities of average household income less than approximately \$12,000.<sup>22</sup> Thus, both of the collective integration strategies would attempt to close this gap, and to expand the ghetto inhabitant's range of residential choice by providing a number of homogeneous "low-income" communities in the suburban periphery. Although both these strategies must be considered superior to any of those which would violate the homogeneity conditions of existing suburban communities by interference in local zoning practices, the Kain-Persky solution must be regarded as second-best, inasmuch as it would require temporary Federal intervention in the economic affairs of existing communities during the conversion (tipping) period. Furthermore, one greatly suspects that at least some of the "tipped" suburban residents would suffer uncompensated financial losses, while all would be faced with a reduced number of comparable residential alternatives.

Therefore, the most frictionless integration alternative presently available appears to be that which would require the use of new communities—Industrial Manpower Communities—located in a number of the many unincorporated suburban places still remaining in most metropolitan areas.

### *The Industrial Manpower Community*

As suggested in the introduction to this paper, the Industrial Manpower Community represents an application of the new town concept to the social planning objective of achieving collective integration in suburbia. Although it is clearly impossible to develop anything approaching a detailed plan in the remaining pages, we will nevertheless attempt to sketch out something of a profile for an industrial manpower community whose parameters draw almost exclusively upon the imaginative precedent set up by Clarence Stein's greenbelt

<sup>22</sup> This figure, used by Mayor Lindsay and others, is a current one, and obviously varies over time and from place to place.



towns during the depression years of the 1930's. The most compelling reason for this selection is that, among the wide variation one encounters in the theory and practice of new towns. Stein's work was singularly unique in his commitment to the creation of (federally sponsored) low-income new towns which maintained the integrity of the garden city principles of Ebenezer Howard.<sup>23</sup> Indeed, the purposes of the greenbelt towns as officially stated were:

1. To give useful work to men on unemployment relief.
2. To demonstrate in practice the soundness of planning and operating towns according to certain garden city principles.
3. To provide low-rent housing in healthful surroundings, both physical and social, for families that are in the low-income bracket.<sup>24</sup>

The three greenbelt towns that were actually created (Greendale, Wisconsin, seven miles from the center of Milwaukee; Greenhills, Ohio, five miles north of Cincinnati; and Greenbelt, Maryland, 13 miles from the center of Washington, D.C.) were "made possible by the Emergency Relief Appropriation Act and the National Industrial Recovery Act, both of 1935."<sup>25</sup>

The greenbelt experiment, guided by Frederick Bigger, the chief planner of the Suburban Resettlement Division (of the Resettlement Administration), sought as its overall objective:

To obtain a large tract of land, and thus avoid the complications due to diverse ownerships; in this tract to create a community, protected by an encircling green belt; the community to be designed for families of predominantly modest income, and arranged and administered (managed) so as to encourage that kind of family and community life which will be better than they now enjoy, but which will not involve subjecting them to coercion or theoretical and untested discipline; the dwellings and the land upon which they are located to be held in one ownership, preferably as a corporated entity to which the Federal government will transfer title, and which entity or corporation will rent or lease the dwellings but will not sell them; a municipal government to be set up, in character with such governments now existing or possible in that region; coordination to be established, in relation to the local and State governments, so that there may be provided those public services of educational and other character which the community will require; and finally, to accomplish these purposes in such a way that the community may be a taxpaying participant in the region, that extravagant outlays from the individual family income will not be a necessity, and that the rent will be suitable to families of modest income.<sup>26</sup>

As it turned out, these objectives were most fully realized in the case of Greenbelt, Md., which, on 3,300 acres of gradually-acquired land, admitted its first 3,000 residents (avg. family income: \$1,250) in the years 1937-38. The original town plan for Greenbelt is shown in figure I, and its relation to Washington, D.C. with its suburban periphery in figure II.

<sup>23</sup> Stein quotes the accepted definition of a garden city: "A garden city is a town planned for industry and healthy living, of a size that makes possible a full measure of social life, but no larger, surrounded by a permanent rural belt, the whole of the land being in public ownership, or held in trust for the community." Clarence S. Stein, *Toward New Towns for America*, Cambridge, The M.I.T. Press, 1966; p. 130.

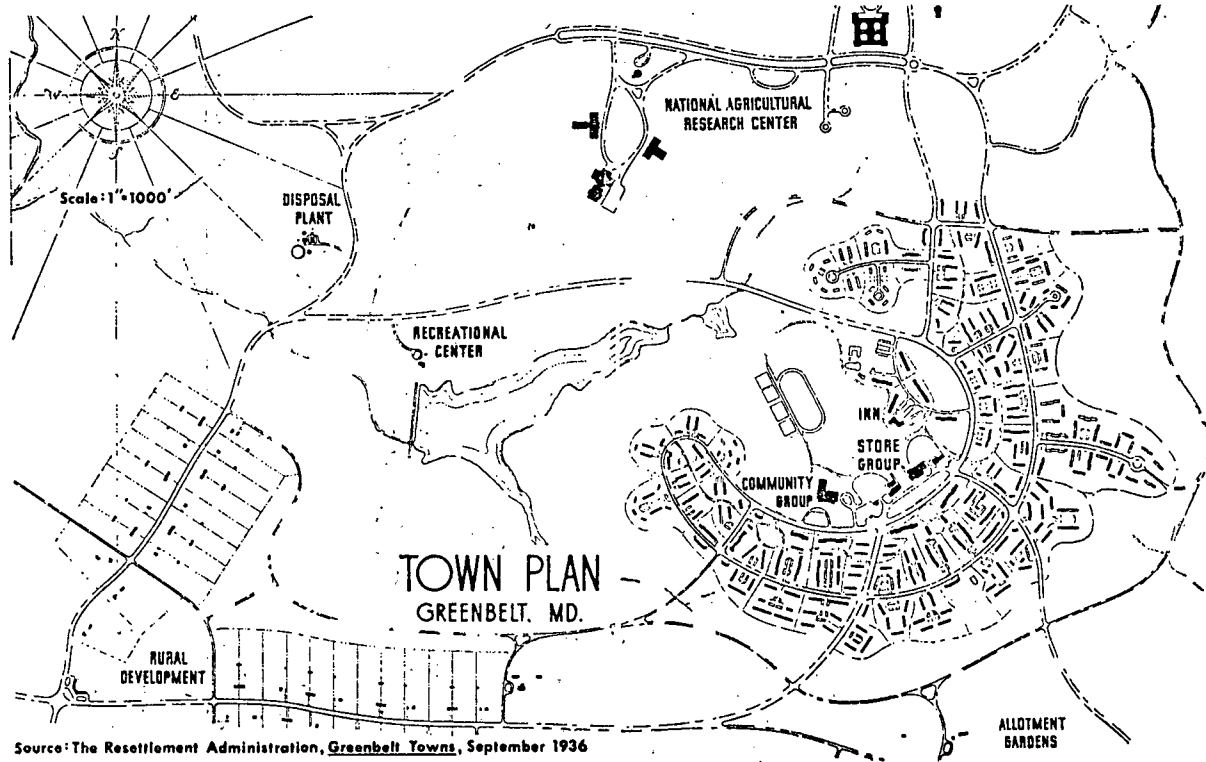
<sup>24</sup> *Ibid.*, p. 119.

<sup>25</sup> To trace the Federal role to its conclusion: "By executive order of September of that year (1935) the President established the Resettlement Administration and prescribed its functions in regard to the greenbelt towns. Since then the administration of these communities has been successively transferred to various federal agencies: in December 1936 to the Secretary of Agriculture, under whom it operated as a separate unit of the Department, the name of which was afterwards changed to Farm Security Administration; in February 1942 the President transferred all housing developments which did not relate chiefly to farming to the National Housing Agency, afterward the National Public Housing Authority, and now the Public Housing Administration. In 1949, as a result of special legislation for that purpose (Senate No. 351), the towns were to be disposed of by sale, with first preference to veterans' and present tenants' and present tenants' groups organized on a non-profit basis." Stein, *ibid.*, p. 119.

<sup>26</sup> *Ibid.*, p. 120.

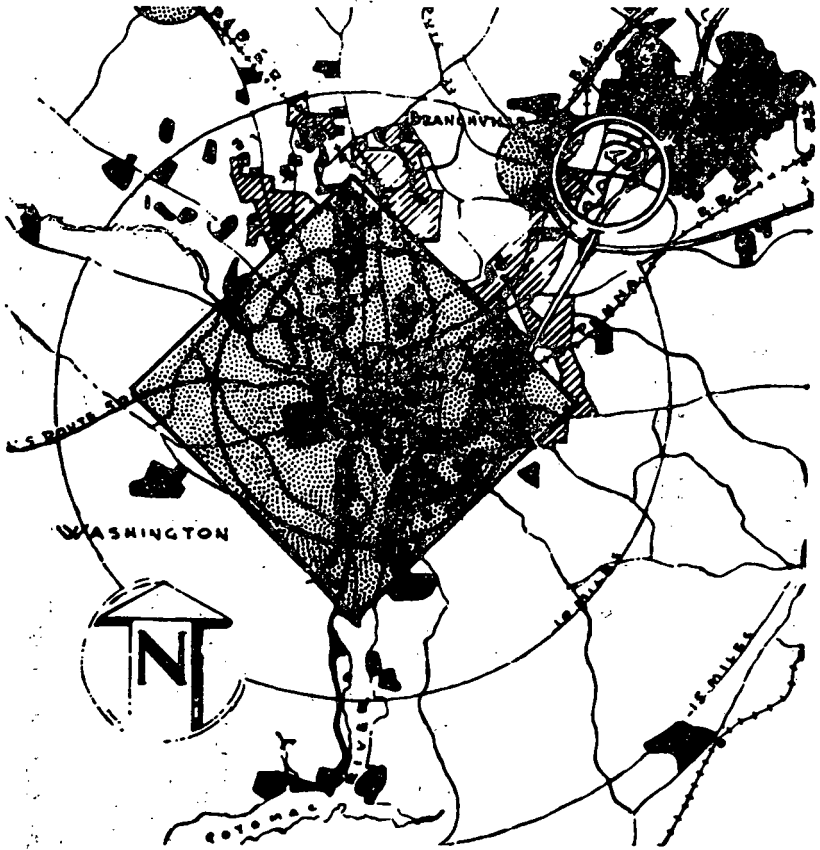
FIGURE I

ORIGINAL TOWN PLAN



Source: The Resettlement Administration, Greenbelt Towns, September 1936

FIGURE II



Regional map showing relation of Greenbelt to Washington, D.C.

During its period of Federal guardianship, and especially during the war years, the population expanded as additional homes were constructed under carefully controlled density standards. And, throughout the past 20 years under the auspices of private development, Greenbelt has gradually attained a population size of 18,199<sup>27</sup> with an average (adjusted gross) income of \$7,671.<sup>28</sup>

<sup>27</sup> U.S. Department of Commerce, Bureau of the Census, *1970 Census of Population, Advance Report—Maryland*, PC(V2)-22, Washington, GPO, February, 1971.

<sup>28</sup> Internal Revenue Service, Statistics Division, Department of the Treasury, *Five Digit Zip-Code Area Data from Individual Income Tax Returns for Tax Year 1966*, I.R.S., Washington, 1970.

Thus, with but a few exceptions, the case of Greenbelt (whose acclaim as an example of successful regional planning by the Federal government has been somewhat lost in the fame of the Tennessee Valley Authority<sup>29</sup>) offers a highly pertinent, experimentally-tested prototype for the Industrial Manpower Community. Note, however, that while it offers a model of *low-income* community formation, further experimentation would be required in order to establish the viability of the Industrial Manpower Community as a mechanism for integration. If proven successful, the objective of ghetto dispersal through collective integration could ultimately be realized by their planned replication, i.e., by establishment of a *network* of these prototypes within the metropolitan community system. The exact number, size and location for the Industrial Manpower Communities, as in the case of Greenbelt, would be heavily based on an analysis of the metropolitan labor market and suburban industrial location trends.

Finally, we hope that the above sketch has been sufficiently graphic to differentiate the Industrial Manpower Community from the unsavory image of the worker-exploited "company town," or the slum-ridden "suburban concentration camp." Any such interpretation would result from a failure to fully appreciate the Greenbelt model. Again, quoting Stein:

The fact that the federal government has been the owner of Greenbelt and the landlord of practically all of its citizens might give the impression that it is a "freak" town. On the contrary, the citizens take at least as active a part in determining civic policies as in most small American municipalities. Their local government, the Town (now the City) is under a City Manager directly responsible to it, and the Mayor. The only difference between it and other Maryland municipalities with managers is that all voters have been tenants of the single owner of all taxable property, the U.S.A.<sup>30</sup>

Thus, on the company town score, corporate or business ownership of residential property is clearly ruled out; and, to prevent the Industrial Manpower Community from lapsing into the condition of a "concentration camp," we have the incubation period of federal guardianship to maintain low-density conditions, and the fact that the home-rule political character of the community is such that it is no different from any other homogeneous suburban community. A third factor inhibiting slum conditions would be the simple, but powerful proviso that all residents must be employed (with family earnings in excess of \$4,000).

After its incubation period, however, indirect business control may pose a problem; i.e., the Community has a wide range of economic development (and employment integration) possibilities that could vary with its status as satellite, at one extreme, through balanced to independent at the other.<sup>31</sup> Indirect business control would be minimized (employment integration maximized) as the community approached the dormitory status of satellite, while its influence would presumably be maximized (employment integration minimized) as

<sup>29</sup> Nonetheless, substantial literature on Greenbelt has accumulated.

<sup>30</sup> Stein, *op. cit.*, p. 168.

<sup>31</sup> For a discussion on the nomenclature of new towns, see: William Alonso, "The Mirage of New Towns," *Public Interest*, Vol. 19 (Spring 1970); p. 4n.

it approached the economically self-contained status of the independent. Therefore, for both reasons of worker control and employment integration, the most suitable economic development status for the Industrial Manpower Community would probably fall somewhere in the range of satellite to balanced.

### III. SUMMARY AND CONCLUSIONS

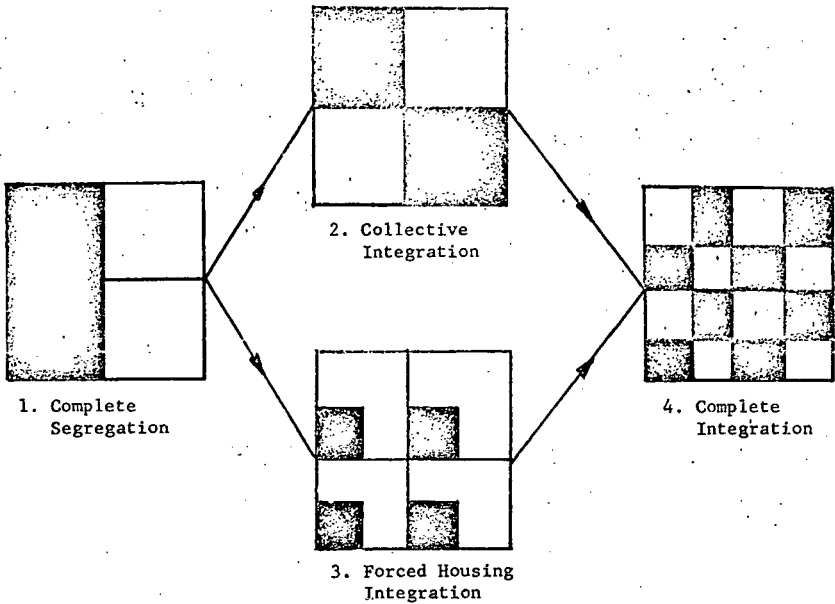
For the most part, this paper has relied heavily on recent current events for its identification of an emerging set of problems which, in sum, represents the "suburban crisis." Moreover, it has been suggested that the character of these problems is not manifestly unique, and that their causes may be traced to those private and public forces now contributing to the industrialization of suburbia. A major problem whose severity has been heightened by this change in urban form is the issue of suburban residential exclusion, which serves increasingly to deprive the ghettoized Black community from access to remote suburban job opportunities. And, as we have seen, this issue is now under heavy siege.

Unfortunately, the assault on suburban exclusion has focused on residential zoning practices of suburban communities, which turns out to be no less than an assault on one of the principal foundations of our polycentric system of local self-government in the metropolitan area. Deprived of their right to zone, suburban jurisdictions will in effect become central city neighborhoods—just as powerless, as in need of "neighborhood participation," and as subject to the community-disruptive play of the speculative builder that has given shape to the congestion and hyperdensity of our contemporary urban environment. In other words, suburban zoning remains as the only obstacle to those forces which threaten simply to reproduce the central city land-use and social organization patterns within the suburban periphery, the only barrier to the urbanization of suburbia.

Nonetheless, the "white barrier" to urban expansion paradoxically remains the "white noose" of suburban exclusion. Thus, in view of the desirability of suburbanization of the Black (relative to a wasteful perpetuation of urban renewal), our attention turned to the following query: is preservation of our polycentric system of local government and residential integration of suburbia reconcilable policies? Our efforts to analyze this question can be illustrated by reference to the following simplified<sup>32</sup> residential integration patterns:

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<sup>32</sup> Although these patterns do not take minority/majority conditions into account (nor is the geometry of pattern 3 consistent with the others), they nonetheless serve to illustrate the basic principles involved.



In this diagram, the two basic dispersal strategies discussed in the foregoing pages are represented by patterns 2 and 3: collective integration and forced housing integration. And, it was seen that implementation of these strategies, which describe alternative transitional states between the limits of complete segregation, i.e., the prevailing residential conditions shown in pattern 1, and complete integration (pattern 4), would require—

1. Partial use of existing communities (forced housing integration).

2. Full use of existing communities (collective integration).

3. Use of new communities (collective integration).

While it was suggested that all of these strategies would—

(1) Ease the suburban low-income housing shortage,  
 (2) Relieve population pressure on the central city ghetto, which would greatly improve the possibilities of effective urban renewal,

(3) Ease the fiscal pressure on the central city,

(4) Provide access to suburban jobs on an equal opportunity basis,

only the collective integration strategies would—

(5) Obviate the need for forced housing integration in existing suburban communities,

(6) Preserve, not disperse, black political power,

whereas only the use of new communities would—

(7) Insure a density-controlled residential environment for low-income human development with access to light, air, and open space,

(8) Establish a basis for planned suburban development, and

(9) Obviate the need for temporary interference in the economic affairs of existing suburban communities.

Given the relative advantages of establishing new communities, the Federal organization of industrial manpower communities was proposed as ghetto dispersal strategy distinctly preferable to that currently being fashioned by the U.S. Department of Housing and Urban Development. Although our search uncovered no exact precedent for this kind of social planning, a near approximation was discovered in Clarence Stein's Greenbelt which offers a federally financed and incubated prototype for low-income community formation. As a plan for the implementation of ghetto dispersal through collective integration, however, it was suggested that this garden-city-inspired model requires further development and testing under actual experimental conditions. No amount of a prior, nonexperimental research can hope to substitute for actual construction of an industrial manpower community, based upon a carefully articulated, interdisciplinary plan. Such experimentation would provide the laboratory conditions necessary to empirically record suburban acceptance and ghetto demand for this new concept in governmental organization, measurements without which it would be impossible to establish the entire range of costs and benefits of the industrial manpower community relative to other dispersal strategies.

As Herbert Gans has keenly recognized :

It appears that the (planning) profession is being split into progressive and conservative wings: the former calling for social planning to reduce racial and economic inequalities, and the latter defending traditional physical planning and the legitimacy of the middle-class values.<sup>33</sup>

By this definition, our proposal for the Federal creation of industrial manpower communities doubtlessly qualifies as an exercise in social planning; but, given the spectre of the suburban crisis and the advance of urbanization, is it not also critically in defense of traditional physical planning and the legitimacy of the middle-class values?

#### APPENDIX

Any empirical discussion of the distribution of jobs by race or color is complicated in the extreme by the fact that there exist only two large scale sources of data. The first is the Journey to Work Survey of the decennial Census. This survey was first compiled for 1960, and will be compiled again for the 1970 Census, but will not be published until 1972 at the earliest. The other source is the survey of the U.S. Equal Employment Opportunity Commission, established under Title VII of the Civil Rights Act of 1964. However this data is not divided into central city and suburban parts for metropolitan areas. By special arrangement with Ruby Weinbrecht of the E.E.O.C., it was possible to obtain central city and suburban data for three metropolitan areas in which the central city is also a county or group of counties. Thus the data presented here, for 1960 and 1969, for New York, Philadelphia, and Washington metropolitan areas, are the closest it is possible to come, at present, to meaningful information about the changing distribution of employment in metropolitan areas for both white and non-white working people.

The data have been arranged in order to answer the following questions about the relative changes in the residential and job locations of white and non-white workers in the three metropolitan areas from 1960 to 1969.

1. *Has the proportion of metropolitan jobs held by non-whites increased from 1960 to 1969?*

In terms of both measures of employment, i.e., by place of residence and by place of work, the answer to this question is yes.

<sup>33</sup> Herbert Gans, "Social Planning: Regional and Urban Planning," *International Encyclopedia of the Social Sciences* (New York: The Macmillan Co. & The Free Press, 1968); p. 131.

## DISTRIBUTION OF EMPLOYMENT, BY RACE, IN METROPOLITAN NEW YORK, PHILADELPHIA, AND WASHINGTON

	Philadelphia				Washington				New York			
	Place of residence		Place of work		Place of residence		Place of work		Place of residence		Place of work	
	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969
White .....	85.9	81.3	85.8	85.0	77.2	74.4	77.3	75.8	88.5	86.0	88.9	86.8
Nonwhite .....	14.1	18.7	14.2	15.0	22.8	25.6	22.7	24.2	11.5	14.0	11.1	13.2
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

2. *Have non-white workers in the central cities improved their situation relative to white workers?*

The composition of the central cities and suburbs in terms of the racial distribution at the place of work and the racial distribution of residents involves mixed patterns underlying the improved status of non-white workers in the metropolitan areas as a whole. The relative proportions of employed residents living in the central city who are white and non-white compares with the relative proportion of jobs located in the central city held by white and non-white workers as follows:

## PERCENT DISTRIBUTION OF EMPLOYMENT AND EMPLOYED RESIDENTS BY RACE IN CENTRAL CITY PHILADELPHIA, WASHINGTON, AND NEW YORK

	Philadelphia				Washington				New York			
	Place of residence		Place of work		Place of residence		Place of work		Place of residence		Place of work	
	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969
White .....	76.3	67.2	81.4	81.9	51.8	27.5	73.3	70.0	86.5	81.8	88.2	86.1
Nonwhite .....	23.7	32.8	18.6	18.1	48.2	72.5	26.7	30.0	13.5	18.2	11.2	13.9

When the proportion of metropolitan area jobs held by non-white workers increases, the proportion of central city jobs held by non-white workers *may* also increase, but in fact it declined slightly in Philadelphia. The proportion of non-white employed residents in all three central cities increased significantly.

3. *Have non-white workers in the suburbs improved their situation relative to white workers?*

The answer to this question is a severely guarded "yes". Only in the Philadelphia suburbs have non-white workers made clear gains in terms of employment *and* residence. A comparison like that for the central cities, above, shows a very mixed pattern of change in the suburbs:

## PERCENT DISTRIBUTION OF EMPLOYMENT AND EMPLOYED RESIDENTS BY RACE IN SUBURBAN FRINGES OF PHILADELPHIA, WASHINGTON, AND NEW YORK

	Philadelphia				Washington				New York			
	Place of residence		Place of work		Place of residence		Place of work		Place of residence		Place of work	
	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969
White .....	94.3	91.2	91.6	89.2	94.2	94.6	84.2	84.6	94.5	94.8	92.2	90.0
Nonwhite .....	5.7	8.8	8.4	10.8	5.8	5.4	15.8	15.4	5.5	5.2	7.8	10.0

Only in Philadelphia is the proportion of suburban employed residents who are non-white increasing. The proportion of jobs located in the suburbs and held by non-whites increased in New York and Philadelphia but not in Washington. Thus when the proportion of metropolitan area jobs held by non-whites increases, it does not produce the unambiguous result that the proportion of jobs in both central cities *and* suburbs held by non-whites will also increase, nor that the pro-



portion of employed residents in central cities *and* suburbs who are non-white will increase. The following table summarizes the information on the direction of change, 1960-1969, in the proportion of each category that is *non-white*:

	Philadelphia		Washington		New York	
	Place of residence	Place of work	Place of residence	Place of work	Place of residence	Place of work
Metropolitan area.....	+	+	+	+	+	+
Central city.....	+	-	+	+	+	+
Suburban fringe.....	+	+	-	-	-	+

No city shows unambiguous increases in both jobs and residents, and neither job nor residence categories shows increases in all three cities. The ambiguity results from the high mobility of whites. However, if we look at the changing distribution of non-white employed residents and non-white held jobs between central cities and suburbs we can achieve an insight into the value of industrial manpower communities in the suburban fringe for increasing non-white residence and non-white employment in the suburbs.

PERCENT DISTRIBUTION OF NONWHITE EMPLOYED RESIDENTS AND NONWHITE HELD JOBS BETWEEN CENTRAL CITY AND SUBURB IN PHILADELPHIA, WASHINGTON, AND NEW YORK, 1960 AND 1969

	Philadelphia				Washington				New York			
	Place of residence		Place of work		Place of residence		Place of work		Place of residence		Place of work	
	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969	1960	1969
Central cities.....	78.4	72.5	74.3	69.9	84.7	85.3	74.3	74.8	88.3	88.1	87.0	87.2
Suburbs.....	21.6	27.5	25.7	30.1	15.3	14.7	25.7	25.2	11.7	11.9	13.0	12.8

From this proportional breakdown it is possible to see that in Washington and New York the distribution both of employed residents and of jobs held has remained completely stable from 1960 to 1969. That is, although the number of non-white employed persons and the number of non-white held jobs increased in both New York and Washington metropolitan areas, their relative distribution between central city and suburb remained unchanged, neither centralizing nor decentralizing. In Philadelphia, on the other hand, a decentralizing trend appears both for employed non-white residents and non-white held jobs. We can draw from this finding implication that in order to produce a change in the spatial distribution of non-whites from the central city to the suburb, it is necessary to provide not just for access to suburban jobs, but also for suburban residences.

	Racial distribution of employed persons by place of residence		Racial distribution of employed persons by place of work	
	Number	Percent	Number	Percent
<b>NEW YORK SMSA</b>				
1960:				
SMSA:				
White.....	3,566,278	88.5	3,705,114	88.9
Nonwhite.....	464,950	11.5	461,754	11.1
Total.....	4,031,228	100.0	4,166,868	100.0
Central city:				
White.....	2,621,970	86.5	2,994,090	88.2
Nonwhite.....	410,430	13.5	401,842	11.8
Total.....	3,032,400	100.0	3,395,932	100.0
Suburban ring:				
White.....	944,308	94.5	711,024	92.2
Nonwhite.....	54,520	5.5	59,912	7.8
Total.....	998,828	100.0	770,936	100.0
1969:				
SMSA:				
White.....	3,986,000	86.0	1,471,956	86.8
Nonwhite.....	649,000	14.0	224,513	13.2
Total.....	4,635,000	100.0	1,696,469	100.0
Central city:				
White.....	2,572,000	81.8	1,213,490	86.1
Nonwhite.....	572,000	18.2	195,777	13.9
Total.....	3,144,000	100.0	1,409,267	100.0
Suburban Ring:				
White.....	1,414,000	94.8	258,466	90.0
Nonwhite.....	77,000	5.2	28,736	10.0
Total.....	1,491,000	100.0	287,202	100.0
<b>PHILADELPHIA SMSA</b>				
1960:				
SMSA:				
White.....	1,349,498	85.9	1,334,363	85.8
Nonwhite.....	221,026	14.1	220,134	14.2
Total.....	1,570,524	100.0	1,554,497	100.0
Central city:				
White.....	557,516	76.3	715,181	81.4
Nonwhite.....	173,352	23.7	163,471	18.6
Total.....	730,868	100.0	878,652	100.0
Suburban ring:				
White.....	791,982	94.3	619,182	91.6
Nonwhite.....	47,674	5.7	56,663	8.4
Total.....	839,656	100.0	675,845	100.0
1969:				
SMSA:				
White.....	1,515,000	81.3	710,133	85.0
Nonwhite.....	349,000	18.7	125,658	15.0
Total.....	1,864,000	100.0	835,791	100.0
Central city:				
White.....	518,000	67.2	397,379	81.9
Nonwhite.....	253,000	32.8	87,796	18.1
Total.....	771,000	100.0	485,175	100.0
Suburban ring:				
White.....	997,000	91.2	312,754	89.2
Nonwhite.....	95,000	8.8	37,862	10.8
Total.....	1,093,000	100.0	350,616	100.0

	Racial distribution of em- ployed persons by place of residence		Racial distribution of em- ployed persons by place of work	
	Number	Percent	Number	Percent
<b>WASHINGTON, D.C., SMSA</b>				
<b>1960:</b>				
<b>SMSA:</b>				
White.....	600,603	77.2	615,605	77.3
Nonwhite.....	177,466	22.8	180,305	22.7
<b>Total.....</b>	<b>778,069</b>	<b>100.0</b>	<b>795,910</b>	<b>100.0</b>
<b>Central city:</b>				
White.....	161,692	51.8	368,009	73.3
Nonwhite.....	150,337	48.2	133,888	26.7
<b>Total.....</b>	<b>312,029</b>	<b>100.0</b>	<b>501,897</b>	<b>100.0</b>
<b>Suburban ring:</b>				
White.....	438,911	94.2	247,596	84.2
Nonwhite.....	27,129	5.8	46,417	15.8
<b>Total.....</b>	<b>466,040</b>	<b>100.0</b>	<b>294,013</b>	<b>100.0</b>
<b>1969:</b>				
<b>SMSA:</b>				
White.....	790,000	74.4	234,081	75.8
Nonwhite.....	272,000	25.6	74,735	24.2
<b>Total.....</b>	<b>1,062,000</b>	<b>100.0</b>	<b>308,816</b>	<b>100.0</b>
<b>Central city:</b>				
White.....	88,000	27.5	130,427	70.0
Nonwhite.....	232,000	72.5	55,892	30.0
<b>Total.....</b>	<b>320,000</b>	<b>100.0</b>	<b>186,319</b>	<b>100.0</b>
<b>Suburban ring:</b>				
White.....	702,000	94.6	103,654	84.6
Nonwhite.....	40,000	5.4	18,843	15.4
<b>Total.....</b>	<b>742,000</b>	<b>100.0</b>	<b>122,497</b>	<b>100.0</b>

Note: 1960 SMSA definitions used for 1960 and 1969.

Sources: 1969: Paul O. Flaim and Paul M. Schwab, "Geographic Aspects of Unemployment in 1969," Employment and Earnings, XVI, No. 10, April 1970, pp. 5-25. 1960: U.S. Census of Population: 1960, Journey to Work Final Report PC(2)-6B 1963 table 2. 1969: U.S. Equal Employment Opportunity Commission Courtesy of Ruby Weinbrecht.

**COMMENTS OF BERNARD J. FRIEDEN, PROFESSOR,  
DEPARTMENT OF URBAN STUDIES AND PLANNING,  
MASSACHUSETTS INSTITUTE OF TECHNOLOGY**

Thank you for inviting my comments on your proposal for the decentralization of federal-aid programs. The key features of this proposal—to set up a single office in each region authorized to make decisions on federal grants, to simplify administrative regulations, to institute performance standards, and to consolidate many of the separate programs—would clearly be helpful to local governments. In designing a new federal-aid system, however, I think it is important to look to other purposes beyond making it easier for local governments to get and use federal funds. (This latter purpose could be achieved more effectively by revenue-sharing than by grant consolidation.)

The justification for continued efforts to improve the federal-aid system, rather than to replace it entirely with block grants, must be that Congress wishes to stimulate local governments to do certain things that reflect national priorities. These national purposes ought to be spelled out clearly in the statutes and guidelines of a regionalized system. Where the national purpose requires a scale of action larger than a single locality can undertake, a strong coordinating body at the regional level would be particularly useful.

In fields such as environmental protection, waste disposal, water supply, transportation, and health services, the importance of concerted regional action is especially evident. The decentralization of federal program management, and the establishment of regional planning organizations, should make it possible to pinpoint responsibility for the coordinated and efficient use of federal funds. Further, performance criteria should be established in ways that will make it possible to monitor actual progress toward specific goals in these fields.

Another national objective, in my opinion, ought to be to move toward greater equalization in the quality of public services available to people living in different communities, and living in the different neighborhoods within a single community. Disparities in services among communities in metropolitan areas have been well documented. Differences in expenditures for education are particularly marked, and are incompatible with our commitment to equality, of educational opportunity. Tax-poor localities, and poverty neighborhoods, are often unable to command an equitable level of public services without outside aid. Regional administrators in a new federal-aid arrangement should have a clear directive to give priority to grant applications that will move toward greater levels of public service.

Whether any innovation in the delivery of federal aid can succeed in channeling a major share of funds into low-income areas is questionable, however, in view of past performance. The poor are not sufficiently influential in local politics to get fair share of public resources.

Their influence is likely to be still further diluted in region-wide organizations. Voting arrangements based on population (rather than one vote per locality) would be helpful: but even so, the poor are a small minority of the total population.

Special federal requirements and guidelines have been seen as a way of strengthening the position of minorities who need help; but the results have been disappointing. The failure of Title I education funds to reach disadvantaged students has been documented in several studies. A recent analysis of the administration of federal relocation requirements presents a similar story: federal administrators have funded local programs that disregard laws and guidelines intended to protect poor families displaced by public action. (See Edgar S. Cahn, Timothy Eichenberg, and Roberta V. Romberg, "The Legal Lawbreakers—A study of the Non-Administration of Federal Relocation Requirements," Washington, Citizens Advocate Center, 1971.)

The issue of non-compliance with federal regulations is emerging in connection with many different programs and seems to me to be central to any redesign of the grant-in-aid system. Recent experience should be studied systematically to see what it can tell us about the conditions under which guidelines are effective and the conditions under which they are not. If regional planning reviews are also contemplated as a way of shaping local actions toward national purposes, then experience with the A-95 review procedure should be studied to see if it has been at all effective.

Unless ways can be found to enforce federal requirements when they go counter to local government preferences, even a reorganized aid system may turn out to be no more than a disguised way of offering block grants to communities. Two possible strategies come to mind. One would be to make the statutory regulations as clear as possible, and to appropriate special funds for the administering federal agencies to hire staff and consultants to work on problems of securing local compliance. The other tactic would be to draw up legislation with a deliberate intent to enable private citizens to get prompt court action to stop federal grants where the administrator disregards program guidelines. Finally, Congress itself ought to monitor the conduct of federal-aid programs more closely.

**COMMENTS OF WILLIAM I. GOODMAN, CHAIRMAN, DEPARTMENT OF URBAN AND REGIONAL PLANNING, UNIVERSITY OF ILLINOIS**

I should like to respond to your letter of January 11, in which you invite me to comment on the concern of the subcommittee to regionalize and consolidate a multiplicity of Federal programs. I am happy for the opportunity to respond.

I shall suggest broad guidelines or principles, rather than seeking to fashion the details of a legislative draft. My replies to your questions will therefore be on the brief side.

Let me say first that the basic idea merits vigorous pursuit, since it appears to offer a feasible method for bringing decisions "closer to home," while maintaining Federal jurisdiction over responsibilities that are vital to the national interest.

As a strategy, therefore, it appears to have considerable flexibility for accommodating a variety of ideas and innovations that have been proposed in recent months, while avoiding the danger of polarizing widely divergent interest groups.

What follows is a framework for the operation of a regionalized planning structure, as addressed to the five questions raised in your letter.

*1. Within present constitutional constraints, how can we provide for appropriate popular representation of the people whose lives are affected under the plans drawn up and executed through this regional planning structure?*

Several issues seem to be inherent in this question: Allocation functions at each level of Government, establishing a basis for representation, investing responsibility for selections and maintaining grass-roots communication. None of these need pose a constitutional impediment.

*a.* The decisionmaking function would continue to be lodged within the Federal hierarchy, at various points in the system, in accordance with the structure specified at later points in this response. The function of State-local representatives would be of an advisory, mediating, and review nature.

*b.* In each of the 10 regions, a Regional Advisory Commission would be elected at large from the respective States, and from metropolitan areas with more than 500,000 population (based on the most recent decennial census). In the case of multistate metropolitan areas, the State contributing the largest population to the metropolitan areas would elect the representative. If, however, the total population of a given metropolis from the State with the lesser proportion nevertheless exceeded 500,000, it too would select a member of the Commission.

*c.* Responsibility for conducting elections and for certifying elected members would be invested in the States. Responsibility for election of members from the metropolitan areas could be delegated by the

State to a suitable agency in the metropolitan area. If a State should fail to exercise its election responsibility, the Regional Administrator would have the authority to appoint Commission members to fill eligible vacancies.

*d.* In addition to meetings of the Commission itself, it would be appropriate for the Regional Administrator and the Commission to hold a public hearing annually, in order to review work accomplished and contemplated, to elicit citizen input into the program, and to provide for an exchange of ideas about the policies and programs being followed in the region.

*2. What objectives or goals should be spelled out in the statute as a guide to the operation of this regional planning setup?*

*a.* Formulation of a national policy and plan for effective development of the Nation's resources—social, economic, governmental, environmental, urban and rural, natural, and esthetic.

*b.* Establishment of a mechanism to promote mutual interaction for planning and resources allocation among all levels of government.

*c.* Establishment of a mechanism to promote mutual interaction for planning and resource allocation between governments and private enterprise, institutions, and citizens.

*d.* Creation of a network of Regional Administrators, Regional Advisory Commissions, and a National Development Council, with functions and relationships as specified.

*e.* Establishment of procedures for eliciting and sharing information relevant to the programs and objectives of the Administrators, the Commissions, and the Council, and for undertaking requisite surveys and analyses.

*f.* Formulation of a policy and plan for urban growth and change and for regional development.

*g.* Formulation of a policy and plan for sectors of the national economy and for the use of the Nation's natural resources.

*h.* Establishment of guidelines to achieve coordination and integration within the Federal Government in administering Federal programs.

*i.* Separation of the functions of formulating basic policy for development, and of implementing such policies, as between central and regional offices of the Federal executive departments and other units.

*j.* Improvement in the capabilities and performance in the operations of State and local governments.

*3. What standards would have to be spelled out in the statute as guides for the regional coordinators and as requirements for the performance of local units?*

*a.* Regional Administrators would be the focal points of a network of advisers and policymakers. Hence it is appropriate to spell out the overall structure and the relationships, both of which would condition the performance of the Administrator, and would likewise establish parameters and standards for his operation.

(1) Within the Executive Office of the President, a national development and planning staff would report to the President and the Congress and would be responsible for—

Establishing national development goals.

Formulating guidelines for the Regional Administrators.

Determining the total allocation of funds for national planning and development.

Determining the allocation of such funds to each regional office.

Evaluating development needs and problems of urban and rural areas, sectors of economy, and natural resources.

Devising criteria to measure such needs and problems.

Coordinating development policies between regions and between sectors of the economy.

(2) A National Development Council would be established, consisting of the principal officer of such executive departments and other units whose programs are coordinated by the Regional Administrator. The Council would be responsible for—

Reviewing and approving overall regional plans and programs and plans and programs involving two or more regions.

Coordinating such plans and programs as between regions.

Adjudicating conflicts between regional offices relative to jurisdiction, interpretation of guidelines, and plans and programs.

(3) The Regional Advisory Commissions would be responsible for—

Reviewing guidelines for allocations within the region as recommended by the Regional Administrator.

Reviewing planning and development policies and goals for the region.

Reviewing plans and programs covering areas in more than one State located within the region or those involving an adjacent region.

Mediating interstate or State-metropolitan disputes within the region.

Advising on coordination of plans within the region and in proximate regions.

b. Standards for participation by State governments would include—

(1) Establishment of an agency, with staff, to develop and administer a State plan, and the policies related thereto—including the elements of land development; conservation and utilization of natural resources, human resources, and economic resources; transportation; recreation; and capital programs for State services and facilities.

(2) Establishment of one or more agencies, with staff, to facilitate interaction between the State government and units of other governments, in the following functional areas:

Government operation—including budgeting, revenue and expenditures, tax policies and procedures, annexation and incorporation, capital planning and programing, and relations with local governments.

Economic development.

Community development and planning—including housing, transportation, industrial location, recreation and open space, natural resources, land regulation, and land use.

(3) Formulation of a system for regionalizing, within the State, such services and offices as would benefit from regionalization, including planning and the location of facilities.



(4) Initiation of a continuing process for review and up-dating, codification, and consolidation, of State enabling and exercising legislation pertaining to the powers, resources, and activities of local, regional, and State planning and development.

(5) Initiation of a continuing process of review and up-dating of statutes and procedures pertaining to the fiscal operation of the State.

(6) Initiation of a continuing process of review and up-dating of the statutes and operations pertaining to voting and citizen representation—including registration, legislative districting, and elections.

c. Standards for participation by local governments would include—

(1) Establishment of a mechanism to review and reorganize local government, in order to strengthen its capacity for planning, finance, enforcement, and implementation of programs and policies.

(2) Preparation and continued up-dating of a community plan, and policies, pertaining to the development and regulation of land use, transportation, community facilities and services, open space, housing and renewal, and other areas significant to physical development.

(3) Adoption of social policies, and a program, pertaining to citizen welfare, health, education, employment, and residential location and standards.

(4) Establishment of a mechanism to facilitate interaction for planning and resource allocation between the local government and other levels of government.

(5) Establishment of a mechanism to facilitate interaction between the local government and private enterprise, institutions, and citizens in respect to development planning and formulation of related policies.

4. *What powers would have to be lodged in the 10 regional coordinators and how should they be tied to the Presidential office in Washington?*

a. The Regional Administrators would be appointed by the President, preferably with the advice and consent of both houses of Congress, to the extent that such ratification is feasible.

b. The Administrators would meet periodically with the National Development and Planning staff of the Executive Office of the President—

Annually, to discuss budget allocation and the guidelines for allocation to the regions, as well as national planning policies and goals.

At intervals, to review the regional programs.

c. An annual report would be prepared by the Administrators for submittal to the Office of the President, the National Development Council, and the President.

d. The Administrators would be empowered to—

(1) Prepare guidelines for allocation of funds within the region, subject to directives of the Executive Office and the advice of the Regional Commission.

(2) Establish planning and development policies and goals for the region, subject to review by the Regional Commission.

(3) Review and approve plans and programs pertaining to the region as a whole or bearing on a State in another region, subject to the advice of the Regional Commission, for submittal to the Development Council for final approval.

(4) Review and approve plans and programs involving two or more states within the region, subject to review by the Regional Commission.

(5) Resolve conflicts between States, or States and metropolitan areas, subject to review by the Regional Commission.

(6) Approve plans and programs of individual States, regions within a State, and localities.

(7) Approve plans and programs involving multiple regional and local jurisdictions within a State.

(8) Allocate funds for individual projects, individual jurisdictions, or multiple jurisdictions within a State.

(9) Allocate funds from the uncommitted pool specified below.

*5. Should a pool of unrestricted funds be available to each regional coordinator to be allocated by him in whatever manner would promote the objectives of the act and comply with the standards thereunder in order to supply funds which would not be available under any of the other Federal great programs but would be cited to the success of a particular plan? If this is needed, how big a pool would be required initially?*

A pool of uncommitted funds is necessary—

To establish the power of the Regional Administrator.

To provide incentives for State and local units of government to shape up their operations.

To build in flexibility, especially during the period of incubation of this undertaking.

Twenty-five percent of the funds allocated to the region during the first year should be unrestricted, i.e., not earmarked. The proportion might be reduced by five percent annually, to reach a continuing level of 10 percent.

This scheme will affect as a minimum the current roster of Congressional committees, the sovereignty of executive departments, and the President's Council of Economic Advisors. It is inevitable that such an impact be exercised, if regional consolidation and decentralization are to be achieved, because, in the absence of organized regional policy, these sources are currently formulating such policies in a fragmented and competing pattern.

## HUMAN RESOURCES PROBLEMS, NEEDS AND PROGRAM ALTERNATIVES <sup>1</sup>

By MARSHALL KAPLAN, *Partner, Marshall Kaplan, Gans, and Kahn*

One cannot help but be skeptical about the value of conference subjects like human resource planning or policy alternatives for social planning. Certainly, since AIP decided, somewhat reluctantly (and happily) about a decade ago, that proper median strips and widths of curves and gutters didn't necessarily mean improvements in the quality of life of people, we have been exposed, sometimes unmercifully, to papers and speeches about the need for planners to think more comprehensively, to integrate physical planning with social planning; to relate more to people; and to plan along with people, not always for people. Yet, while many pens, including my own, have been set in motion, we must admit, if we are to be honest with ourselves, that our contributions have only made a marginal impact on the state of the arts.

Unfortunately, I promise no revelation in this presentation; only the reflections of one who has had the opportunity to alternatively assume the role of evaluator of national, State and local social planning efforts, and an adversary in discussions concerning the same at local, State and national levels.

### A. HUMAN RESOURCE PROGRAMS: A BRIEF HISTORY

1. Unlike many European countries, this Nation has never fully accepted other than limited responsibility for the social well-being of its residents. For example, initial efforts at social planning, emanating as they did out of the depression, were seen by most as only residual elements in a game plan concerned primarily with surmounting national difficulties.

World War II, understandably, focused attention on issues unrelated to domestic needs. Competition between Congress and the Executive complemented by apparent ideological divisions, often more weighty in rhetoric than substance, denied the Nation an opportunity to at least order priorities and develop appropriate strategies to meet post-war needs.

Perhaps the closest we have come as a Nation to creating national objectives, a precursor one would like to think, to effective national human resource planning was the legislatively determined prescriptions concerning every American's right to a decent home and job contained in the Housing Act of 1949 and Employment Act of 1946. Yet, unfortunately, neither act was followed by a national commitment of resources sufficient to translate laudable normative statements into reality.

<sup>1</sup> Prepared remarks to the American Institute of Planners Legislative Conference, January 1971.

2. Although, as indicated earlier, this Nation's entrance into the social welfare arena, even during the depression, was limited, whatever was undertaken was, in most instances, a first. Because State and city governments were, in most instances, unable and in a few instances, unwilling to assume essential welfare and social service burdens, these functions escalated to Washington. In essence, local governments were left with primarily housekeeping, public safety and narrow environmental concerns. Their capacity to meet human resource problems was effectively frustrated. Further, their willingness, given limited resources, and until recently inarticulate local constituencies concerned with the poor, to attempt to overcome their frustrations was quite nominal.

3. Federal programs, despite their number (over 400), have had only a marginal impact on human resource problems. This is so because: (a) rhetoric to the contrary, this Nation has never made a commitment of resources sufficient to achieve measurable success; (b) the Federal inventory, despite its coverage, presents users or potential users with a very complex, many times competitive, sometimes duplicating array of assistance options. These options often fail to respond to the articulated needs and priorities of supposed beneficiaries. Only rarely and not without difficulty could would-be sponsors including city halls use more than one program, at any one point in time, to initiate predefined strategies. In effect, coordinated use of supposed complementary programs was and remains tough to achieve.

4. Unfortunately, the war on poverty was never really mounted, partially because of a war in a far off country that was never really terminated. OEO planners and funded local CAAs granted primacy to defining maximum feasible participation at the expense of developing an operational definition of coordination at either the national or local level. This decision led to creation of countervailing resident dominated structures in many communities; the opening up of public decision making processes in some cities in a limited number of resource allocation areas; and the initiation of marginally funded, yet oft times innovative (always numerous) projects in most cities. The war on poverty, however, unfortunately did not lead to more than cosmetic changes in the way most public institutions delivered services in the majority of cities nor did it seriously engage the sustained attention and commitment of more than a handful of local chief executives. Rarely were basic city budgets affected.

The war symbolized and perhaps at times unavoidably heightened (given the very public distribution of limited Federal resources to the poor and the adversary strategy chosen by OEO) cleavages particularly among poor black's and blue collar white ethnics.

5. Model Cities funds unlike OEO moneys flowed through city hall. City-MNA resident groups coalitions have developed in many cities. Initial evaluation suggests visible impact in improving the capacity of some local institutions in many communities to meet city and resident defined objectives. Marginal White House commitment by this and the previous administration however, when combined with the difficulties inherent to the categorical program system, has impeded development of a suitable Federal response to developed city plans and programs. Early HUD planning guidelines, since changed, relative to geographical imitations, comprehensiveness, linkages, com-

bined with pressures from the neighborhood and tight city budgets impeded strategic development of local priorities concerning use of limited Federal funds.

## B. HUMAN RESOURCE PROGRAMS: PROBLEMS AND CONSIDERATIONS

1. I need not repeat for this audience statistics relating to the range of problems facing this Nation. No longer do we face the luxury of hidden poverty. No longer can we escape the fact that the difficulties facing those who happen to be poor merely reflect the general malaise pervading our institutions, our political processes, our people.

Poverty remains an inescapable fact of life for far too many Americans. Our efforts to eliminate or reduce it have been miniscule compared to need and marginal with respect to results. Understandable contradictions exist side by side. Division, particularly among black and white, less than affluent and not so affluent, chicano and black, has accompanied the growing expectations and articulateness of the poor. Similarly, alienation between the ghetto and city hall has apparently continued in many communities despite modest signs of changes (for the better) in the role played by local institutions.

Racism, an euphemism, for deep class and caste prejudices, pervades many aspects of American life. It narrows choices open to the affluent or near affluent as well as minority and lower income households. It impedes development of necessary public and private services and limits the range of meaningful choices open to all Americans.

If we are to seriously attempt to meet the human resource needs of this Nation; if we are to initiate the necessary actions to improve the quality of life of all Americans, we must be willing to first admit and then resolve the following problems:

1. *Institutional capacity, money, and decisionmaking.*—Many of our relevant public institutions (Federal, State and local), lack the capacity to effectively manage even their presently defined functions, let alone accept new functions. Similar and quite related, many State and local governments are caught in an ever-worsening financial bind. For example, revenue in most cities appear to be rising at an annual rate of less than 5 percent while expenditures, most of them nondiscretionary, rise at rates approaching 10 percent.

2. *Planners, plans, and decisionmaking.*—It is fair, I think, to state, in concluding this brief historical overview, that planners and planning has made very little contribution toward either identifying or resolving human resource problems. The planner's quest for respectability has led him to substitute more often than not technique for insight; jargon for relevance; rhetoric for strategy. Terms and phrases like systems analyses, PPBS, goals, coordination, linkages, and priorities, despite the best of intentions, have not become operational in a decisionmaking context. They have meant little to Federal officials faced with an annual appropriation cycle and a recalcitrant Congress; a mayor whose resources are limited, whose agencies are hostile; a resident of the ghetto who is out of a job and whose kids are hungry.

3. *Politics and decisionmaking.*—Good intentions aside, it is unfortunately becoming increasingly difficult for national, State, and local leaders to articulate and then seemingly make tough

decisions related to collection and allocation of scarce resources. The political risks of making such decisions are apparently vastly compounded if the beneficiaries of public action are clearly the poor, the black, the chicano.

Our national dialog relative to priorities has become confused with such terms like "forced integration." Governors willing to propose fiscal reform have run the risk of single terms in office; mayors appearing too sympathetic with objectives of minority constituencies often survive in office only by tight pluralities rather than majority votes. Indeed, most of the "good guys" face aborted careers as locally elected officials. Certainly, America's melting pot has cooled off (if it ever existed) and the benignness of its majority population more and more subject to debate.

Structural reform has been the long suit of critics of American institutions. Unfortunately, the reformers have rarely achieved a coincidence between their proposals and the real world. Today is no different. Those who cry for decentralization and neighborhood government do their argument and their supposed constituency little good when they neglect to weigh economic and indeed social benefits and costs; when they refuse to become specific or selective concerning functions, services, and processes; to be decentralized when they convert economic and institutional facts of life to ideological demagoguery. Conversely, those who argue for placing more planning and resource distribution responsibilities in the hands of regional or State governments (and subsequently taking responsibility from city and Federal Government) must, if they are to become relevant, reflect in their arguments political as well as institutional realities. In essence, how many States are equipped (inclination and capacity) to accept more responsibility in the human resource area? What about national performance criteria? Why is "areawide planning" any better than city or neighborhood planning (better for all functions and services; for some functions and services)?

### C. HUMAN RESOURCE PROGRAMS: ALTERNATIVE APPROACHES

No easy solutions exist to the many and serious human resource problems facing this Nation. Unfortunately, however, we have accepted ground rules defined by the academic egoist or the political jangoist in debating legitimate Federal policy issues and program approaches. For example, although this administration is to be congratulated for placing for the first time State revenue sharing and family allowance plans before the Congress and the country for discussion, neither proposal should be viewed singly or together as presenting us with the possibility of achieving "Nirvana." Both proposals need to be complemented by others if they themselves are to meet even limited administration objectives. Each proposal must be considered, and amended, in light of the political, institutional, and human problems (mentioned above).

Since my invitation to speak before you today was premised on a desire by AIP to focus on policy alternatives permit me to close by suggesting some few for your consideration.

### *1. State Revenue Sharing*

Revenue sharing can be supported on any number of reasonable grounds. Such a program will, for example, provide States and local government with funds free of traditional categorical program restrictions. Further, such a program will permit governments to secure such funds on a basis free of pipeline consideration. As important, revenue sharing will permit cities to more easily (politically) justify spending categorical funds or funds like Model Cities in poverty areas. In effect, revenue sharing may be the "bribe" necessary to permit mounting an effective and meaningful war on poverty for the first time.

Press stories relative to the administration's revenue sharing proposal indicate that the first year's share would be close to \$5 billion. At this level, based on various formulas, only a handful of cities would receive more than they do from their current Model Cities grant. Even if Model Cities and other categorical programs remain funded at present levels, one could question the appropriations, given State and city needs, of this reported fund level. Conversely, if other programs are cut back significantly, most cities would go beyond questioning and have problems supporting the bill even as a beginning step.

Any revenue sharing proposal should: (1) Be based on income and corporate tax yield; (2) have a pass through formula reflecting both local revenue productivity and relative magnitude of local needs (particularly needs related to the poor); (3) provide larger cities with a proportionately larger share of the total proceeds; (4) should be limited to general purpose governments; (5) should contain a post audit which reviews expenditures in light of national performance criteria (civil rights, etc.) and incentive/disincentives for performance (additional bloc grants or reduction in pass through).

### *2. Management/Planning*

It would be difficult for me both as an evaluator of federally aided planning efforts, and practitioner of the "arts" to support a continuation of most of 45 separately funded planning programs. Of these 45, only Model Cities has gone directly to and sometimes through the office of local chief executives. Similarly, only Model Cities and a limited number of functionally oriented planning efforts have had more than a ceremonial effect on most cities, particularly larger cities. As implied earlier, Federal mandates to be comprehensive; to define linkages, have given limited funds and despite contrary intentions, built a consulting industry rather than city capacity. At this point in time, I would opt for providing State and local governments with a simple open-ended management and priority determination bloc grant. This grant would go primarily to elected chief executives. It would be used to develop a staff capacity to determine local problems and to effectively allocate and manage local resources. Performance criteria would pertain more to the role of the chief executive, agencies and appropriate resident groups than the content or scope of any plan. Such a grant would facilitate local government efforts relative to use of revenue sharing funds and categorical programs.

### 3. *Categorical Programs*

Categorical programs, despite the real problems mentioned above, have served to increase and improve the range and scope of a limited number of public services. They have also, given their number and varied routing systems, as well as their performance criteria, guaranteed the poor at least a minimal level of direct Federal funds and services.

Institutional and political realities together with local needs provide sufficient support for continuation of the categorical program system. This does not mean, however, that the system should not be radically amended. AIP should support the following types of changes particularly in the human resource and community development area:

*a.* Assuming development and inclusion of specific national performance criteria, including criteria requiring priority concern for the poor, the number of categorical programs (not the funding) should be vastly reduced and consolidated into functional block grants (e.g. Social services, community development, etc.).

*b.* Complementing such consolidation, statutory and administrative criteria should be amended to—

- (1) Extend the authorization and appropriation cycle;
- (2) Eliminate all but functional earmarking with respect to administrative criteria;
- (3) Direct funds to elected officials and general purpose governments;
- (4) Provide for beneficiary involvement in planning and evaluating programs;
- (5) Provide for post audits rather than continuing program reviews of the sponsoring agency;
- (6) Minimize processing events;
- (7) Facilitate joint agency funding.

### 4. *Income Maintenance and Welfare*

A basic component of any new legislative package should be an income maintenance program. The President's family allowance plan provides a useful base upon which to build new legislation. It should not be reviewed by narrow partisan eyes. Acceptance of needed rhetoric given the Nation's continued adherence to the Protestant ethic (at least publicly) relative to work requirements could, if onerous stipulations relative to these same requirements were actually eliminated or amended, be an acceptable and necessary price to pay for legislative enactment. A more important issue, the level of the allowance, should be debated vigorously. A minimum, approximately double the one proposed last year would be a proper point of departure. Similarly, Federal assumption of total welfare costs, if States and local governments diverted money "saved" to national priority areas, should be considered by the administration and Congress.

The above four program thrusts suggest, I think, at least an initial strategy to meet this Nation's human resource problems. If they or a fascimile are accepted, we will have to reexamine our whole revenue and tax structure. No significant Vietnam peace dividend is apparently in prospect given the present state of the economy and ever increasing



“nondiscretionary” needs. Certainly an evolving shift from local to Federal collection of revenue is a proper subject for study given the archaic and regressive nature of the local tax base. Similarly, continued elimination of corporate tax shelters and closing of loopholes would make the Federal system more progressive and more lucrative.

## RANDOM THOUGHTS ON PLANNING, PROBLEMS AND APPROACHES—SMALL CITIES<sup>1</sup>

By MARSHALL KAPLAN, *Partner, Marshall Kaplan, Gans, and Kahn*

I have been asked to present some thoughts today about how small towns and cities should initiate public planning efforts. I promise I shall be brief in the hope that we can share some thoughts together.

Certainly, it is fair to state that, except for Model Cities, planning efforts to date have benefited primarily the consulting industry. Most of you would have to admit that they haven't really meant a "damn" in building your capacity at the city level to improve the quality of local life.

Why is this so? Perhaps it is because of the marginal state of the planning art; perhaps it is because of the environment in which planning functions. Certainly, one of the reasons is that very few of you have anything to really plan. The aftermath of the depression left small cities with primarily housekeeping functions. That is, during the depression Washington assumed responsibility for most social welfare functions—functions which were up to then either handled locally by the political party through the "turkey basket at Thanksgiving" or not at all. As the list of Federal programs grew, State and counties rather than small cities, became Uncle Sam's surrogates.

Devoid of responsibility in the social or human resource area, limited by a lack of resources and the overwhelming impact of national fiscal and monetary policies in the economic area, communities, like yours, generally settled back to do only physical planning. While providing many professionals with jobs and more consultants with contracts, initial planning efforts, given weak linkages to human problems and priorities and minimal understanding of market factors, have rarely had more than a cosmetic effect.

You may ask me why, if planning has been so irrelevant to the capacity building needs of this Nation's small cities, Uncle Sam continues to push it. This is a tough one to answer. Presently there are over 45 separately funded Federal planning assistance programs. The total amount of money involved approaches \$250 million.

It is clear that most communities have become involved in federally aided planning efforts to secure other Federal grants. That is, their commitment to planning is often only as strong as their desire for this or that grant which carries a planning prerequisite. Indeed, participation in federally funded planning efforts as indicated earlier, has not necessarily helped cities. In some instances, it is safe to say that the city's ability to effectively allocate scarce resources has actually been reduced. Let us dwell a minute on an actual case study. Oakland, Calif., a city larger in size than most communities represented in this audience, provides a good example of the minimal impact of present Federal

<sup>1</sup> Presentation before the Annual Congress of Mayors, December 1970, Atlanta, Ga.

planning aids. Oakland for years has been the recipient of numerous separately funded planning programs. Yet the city until recently remained unable to present an enumeration of problems, priorities, and programs. As implied, Oakland's city fathers, although not entirely without fault, should not be blamed altogether for this situation. Individual Federal planning grants directed at Oakland were provided:

*a.* Respective city, county and State agencies without first providing the mayor or the manager review and/or signoff authority. In effect, it was almost impossible for the mayor and/or manager, even if they wanted to, to develop a "city hall" planning capacity.

*b.* Often without concern for which roles were to be played by the mayor, respective agencies, or residents in developing plans and programs. Indeed Federal guidelines were more concerned with the precise content of the plan than the effect of that plan on local commitments, local budgeting processes.

*c.* Without recognition of other "competitive" or related federally funded efforts, and subsequently without knowledge of the impact of these efforts on one another and on the city of Oakland's capacity to absorb such new money.

In effect, the "hodgepodge" of Federal planning aids reflects perhaps more the growth of Federal categorical programs and parallel local recipient groups than any recognized need to help cities build capacity at the local level. Only Model Cities provides in effect a direct grant to city hall for planning purposes.

I am convinced that new planning groundrules are necessary if you are to develop a local planning capacity which can help you allocate scarce local resources. Permit me to propose some. They, if followed, should allow you to, for the first time, develop a capacity at city hall to manage and strategically direct public and private resources to achieve "quality of life" objectives.

*a.* You, as mayors, have spent too much time thinking about your local planning structure instead of thinking about the roles of those who would participate and relate to that planning structure. A proper planning structure is important (understand however that there are no "best" forms of organization); more important however is the role you assign yourself; your planners, your residents. If you "cop out," you lose any chance to really develop a politically realistic planning base; if you "cop out," you lose any chance to develop an effective coalition with resident groups around planning issues and priorities; if you "cop out," you permit the professional to set priorities and define programs. Remember, he is not elected, you are.

*b.* You, as mayors, should not give the planning game over to consultants. HUD's 701 program has built many firms, but not developed much in the way of city hall capacity. Use your planning funds; be they local or Federal, to add competent staff, staff you control or direct. Consultants, if used at all, should come in only under your agenda, and for specific purposes.

*c.* You, as mayors, should insist on reviewing and commenting on all Federal planning assistance programs prior to their use in your city. Several key Federal agencies now provide you with this right. Others will soon do so. Even if they do not, I suggest that your local political (and institutional) clout provides you the price of entrance into the review game.

*d.* You, as mayors should insist on one planning process. This process should have a clear link to your capital improvement and capital budgeting programs. One process need not always imply one planner. Your prime concern should be that all the diverse planners in your city are at least communicating with one another; that issues are raised; debated; and resolved with you as an actor in their resolution. In effect, a good information system may be better for your purposes than a good plan or the brightest planners.

*e.* You, as mayors, should mandate resident involvement in problem and priority selection as well as program development. Recognize that such involvement means participation by individuals who because of income or color have been traditionally denied such a right. Ground rules will be difficult to define easily. Yet, Model Cities has taught us that city hall-resident coalitions, despite occasional tensions and unnecessary rhetoric (on both sides) lead to a more realistic approach to defining needs, and more appropriate and relevant priorities. As important, such coalitions engender positive changes in agency behavior changes, which couldn't be achieved otherwise.

*f.* You, as mayors, should learn how to play the Federal and State "crap game." It's part of planning. Many of you neither know the participants nor their programs. Even if State revenue sharing and consolidated grants are upon us (and I doubt this), you will still need to deal with your peers in Washington and the region; you will still need to negotiate with your State counterparts. Ours is a uniquely complicated system. Fortunately, or unfortunately, it will remain so.

*g.* Finally, you as mayors, should ask your planners to drop their pretenses, their jargon. My advice to you would be to fire these planners who ask you to engage in "long-range synoptic \* \* \* linked \* \* \* planning. Given the state of arts. I would certainly question, except in defining general policy objectives, spending more than a marginal amount of time looking beyond a few years at a time. Further, your very size, combined with related resource limitations and institutional constraints should suggest to you that your planners ought to limit their prime attention to strategic areas of opportunity—areas in which you or your city can have an impact. These can be either in the economic, social, or environmental area. You should (assuming I am correct as to the context within which most of you function), neglect the advice of those who ask you to be comprehensive in your attention span. If you have, however, fallen susceptible to the planner's jargon relative to the need for "comprehensiveness," define the term "inductively." For example, should you, fortunately or unfortunately, be faced with the entrance of an industry into your nice clean town, "don't first rush to prepare a master plan which will be soon forgotten. Take a hard and selective look at what the industry will mean in terms of different resident immigration patterns, wage levels, class and caste problems, welfare and traffic burdens, taxes. These are not hard questions to answer. The pluses and minuses will become apparent without lengthy and expensive studies. As important as the plan of action that will result from answers to these questions will be the process set up for determining the answers and the level of involvement in that process of those required to act based on the answers.

The ground rules that I have just mentioned should clearly suggest to you a definition of planning vastly different from the one

most of you are using in your towns and cities. Rather than rely on your homegrown planners or consultants to produce a proper plan, a plan concerned primarily with the physical environment, you will perceive of planning as the strategic management of limited resources. Those who will participate in the planning process will of necessity include yourself, agencies, and residents. Staff will be used by you primarily to help clarify narrow options and weigh discrete alternatives. Planning will be directly tied to the budgeting process. Planning areas of concern will be identified on the bases of specific and narrow objectives, select problems, and limited priorities. Institutional and staff capacity, as well as budgeting constraints, will weigh heavily in enumerating alternative work programs.

I would be remiss, given an audience such as this, if I didn't comment on possible Federal approaches which might assist you to develop a relevant policy or resources management capacity.

1. I would hope that the Feds would, given their positive experience with Model Cities and their disastrous experience with other Federal planning aids, move to consolidate all Federal planning programs into a few open-ended capacity building plans and management grants. These grants would be available only to elected State, county, or local officials. They could be used by such officials to hire staff. Financial penalties in the form of reduced grants must be provided if consultants were relied upon to produce plans.

2. I would hope that the movement toward consolidated block grants would not in all instances force small cities to deal only with States. As you know, State performance and ability varies considerably. Options ought to be open permitting small cities to become recipients of Federal funds without having first to apply to State government. Direct Federal-city relationships; city-regional relationships or a pass through small city formula should be explored along with improved city-State relationships.

3. I would hope that whatever State revenue sharing proposal finally passes, the Congress would provide small cities with a pass-through based more on need and population than tax performance. Indeed, we might well consider converting the revenue share to a discretionary block grant.

4. I would suggest that the Feds develop a national recruiting pool from which small towns could select professional employees. Recruitment, training, placement, as well as initial wage supplements could be provided by the Federal Government.

## THE TWIN CITIES EXPERIENCE

By TED KOLDERIE, *Executive Director, Citizens League,  
Minneapolis, Minn.*

### I

The most immediate and most fundamental contribution the Federal Government can make toward the solution of urban problems is to stimulate the creation of representative and politically responsible policymaking bodies in the metropolitan areas, genuinely able to make decisions on controversial issues . . . and to stimulate these agencies, once created, to move toward their own state legislatures.

This effort to "mate" a metropolitan area council with a state legislature is so central to an effective attack on urban problems that it is worth underscoring, at the beginning, the ways in which it does depart from the prevailing assumptions about urban problems, and their solution:

1. "Planning" is not the problem. We have no shortage of plans. What *is* short is—in the urban areas, and at the areawide scale—an ability to come to formal, binding and satisfactory agreement on complex and controversial public policy issues. An ability, in other words, to make decisions . . . and, therefore, a governmental structure at the areawide level competent to make decisions.

2. Federal funding is not, by itself, a solution. Areawide agencies competent to make decisions are essential to using available federal dollars well. They may also be able to open up, through state legislative action, new tax sources to tap the great wealth that does exist within urban areas, taken as a whole. There is an assumption in some of the testimony presented to the Subcommittee last October, that only the federal government can tap this wealth and make it available. The fact has been, however, that elected officials from the suburbs who sit in the national legislature have been little more willing to vote these funding programs than have elected officials from the suburbs who sit in the state legislatures.

3. The Federal Government will need to look *outside* the framework of its own agencies and programs for the most meaningful solutions: The urban problem is a problem in local government organization, not in the organization of federal administrative agencies, and their grant-making.

4. A sharp change will be required in the present direction of federal policy on the structure of metropolitan planning organizations. To date, areawide agencies have been required and assisted on the fundamental principle that what is to be represented is units of government, rather than people. The problems of the metropolitan areas are, however, not the same as . . . and

are larger than . . . the problems of the local government units which they encompass. True community decisions, that will be the basis for state legislative action, require more than a consensus among local government officials . . . and require, therefore, an areawide policy-making structure that essentially represents the people of the area.

5. The traditional emphasis, in the federal government's relations with states and localities, on relations with governors and with mayors will have to give way to a new emphasis on relations with state legislatures and to a new emphasis on a metropolitan, rather than a municipal, definition of the "city." The 1970 census, if nothing else, has made it plain that the national administration can no longer deal simply with the central city municipality, and believe it is effectively relating to urban problems. Increasingly, it will have to deal with urban areas as a whole. The trouble is that urban areas are not presently organized to be dealt with as a whole. This will be one of the principal tasks of the next few years.

6. It will be necessary to abandon many, if not most, of the old stereotypes about "cities" and "suburbs." Not all central cities are poor, black and Democratic. Not all suburbs are rich, white and Republican. Properly represented in a properly structured areawide council, the various parts of the area will combine and recombine from issue to issue.

## II

Although this strategy . . . of using the leverage of the federal government to bring together a representative areawide policy-making council with a state legislature . . . is an unfamiliar one, there are compelling arguments to support it:

1. Constitutionality, in the American system, the principal storehouse of powers that are critical to the solution of urban problems is the state legislature. Federal officials and state governors can exhort, cajole, entice, propose, criticize, threaten and perhaps punish. But it is the legislature that must act. It is the legislature that controls . . . the land-use laws, the tax laws, the school aid formula, the municipal aid formula, the requirements for incorporation and annexation, the building codes, the system of criminal justice, the funding of public programs and, in many cases, the limits on the levies of local units and the salaries of local officials. "The urban crisis," as Larry Margolis says, "is *in* the state legislatures."

2. The key to this storehouse of powers is a consensus within the local community as to what is wanted. State legislators—including those from outside the metropolitan area—are frequently not unwilling to act, constructively. But they will seldom act on a matter of less than statewide scope in the face of substantial disagreement within the area most immediately affected. No solution for urban problems through legislative action is even possible, therefore, without a mechanism for shaping a consensus at the regional scale.

3. The mechanism, in turn, must have political validity. An "advisory" mechanism is not sufficient. Nor is a consensus de-

veloped solely among local officials, or solely among civic groups. The legislature will, inevitably . . . and can, legitimately . . . throw up against any such proposal the same basic question raised, for example, by federal highway officials, when asked to tie their projects to metropolitan plans: "What do these represent, politically?"

4. Political validity requires that the consensus-making mechanism (*a*) be statutory, and (*b*) represent, in its system of voting, geographic areas drawn on an equal-population-district basis.

### III

Together, the area-wide agency and the state legislature should move toward a reorganization of government at the regional level, on the following principles:

1. That the need is not for the consolidation or abolition of local governments and their functions, but for the handling of functions felt by the local area to be essentially area-wide in character.

2. That the issue is not whether a regional level of government is to exist, but whether the regional government that, demonstrably, *does* exist—in the form of the big special-purpose districts and the newer regional planning arrangements thrown, over the years, into the area between state and local government—is, at last, to be controlled on questions of basic policy, by an agency genuinely representative of and responsible to the people of the region.

3. That, in bringing the existing and prospective regional special districts under control, what is critical to abolish is not their existence, but simply their independence. Typically, these agencies do a perfectly competent job of building the sewer, water, airport or other systems to which they are assigned. The problem is their unwillingness to be coordinated, either with each other or with any general development policy for the region.

4. That the critical need is for a regional policy body to be able to function, with respect to these special districts, much as the client/architect/general contractor functions with respect to the sub-contractors on a major building project. The plumbing sub-contractor simply cannot be left free to plan, design, build, and finance his own, "best" plumbing system. He should be the one to do the plumbing. But he must do it as a part of the larger decision about the building into which his system is to fit.

5. That the policy must have truly effective controls over these specialized agencies . . . through an ability to control their membership, their planning and their finance.

### IV

Together, as well, as the area-wide agency and the legislature should move toward a reorganization of the system of local finance, on the following principle:

1. Non-property revenues, as they are increasingly used, should be collected on a uniform rate over the area as a whole and shared among the various units on formulas which reflect local service needs and local capacity to raise revenue on their own.



2. The property tax base itself should be, and can be, shared among all parts of the region . . . at least, the growth (or a part of it) of the commercial and industrial valuations whose location is largely determined by regional and state investments in freeways, airports, transit lines, rivers improvements and other major public projects.

Burdens and services will both, thereby, tend to be less disparate among the parts of the region. And a major obstacle, which the present system of local finance presents to orderly urban development, will be diminished. Base-sharing, because it works with the taxable valuations of existing local units, is a preferable alternative to the imposition of a metropolitan taxing district.

## V

The fundamental dilemma is that the two levels at which local government is presently organized in most metropolitan areas—county and municipal—are, as Dean Campbell pointed out in his testimony to the subcommittee in October, increasingly *not* the levels at which the critical policy and development problems are occurring. And the regional and neighborhood levels, at which the problems *are* occurring, are, presently, organized—if organized at all—in basically unworkable arrangements. They cannot, that is, resolve conflict.

## VI

This problem, which has just been described at the regional level, exists also at the neighborhood level. There is the same absence of needed mechanisms for the creation of a representative and responsible consensus. Just as the legislature does not know who speaks for the region, city hall does not know who speaks for the neighborhood.

And the influence of the federal regulations is, at present, not helpful. Certainly the required "public hearing," in the highway program, contributes little toward a resolution of disagreement. Nor, really, does the citizen-participation mechanism, as presently established. In these, representation is typically based on a set of racial, economic, professional and existing-community-organization factors, in which no man's vote is equal to another's . . . and in which, therefore, hard votes are seldom taken (or are taken only at risk to the survival of the organization). Worse: there is typically a separate citizen-participation structure for each program . . . producing a layering of what are, in effect, special-purpose districts within the neighborhoods—making more and more difficult both the administration of general municipal government and the development of any general policy in the neighborhood. Three things are required:

1. A return to the concept of general government, run basically by policy officials. A re-assembly of the neighborhood advisory or decision-making agencies into a formal, multi-purpose body somewhat along the lines of a suburban council. In other words, a suburban council, in the central city.

2. A voting structure based on geographic districts, and on a sufficiently "fine screen" of districts to represent fully the racial, economic and other characteristics within a neighborhood.

3. Elections, within these districts, to provide legitimacy . . . to settle the question: "Who speaks for this area" in the only way it has ever been settled, in the American democratic system.

## VII

### SUMMARY

The greatest contribution the federal government can make toward the solution of urban problems is to enable the urban regions to speak with a single voice to their state legislatures about the needs for change.

To create this voice, it should:

1. Require an equal-population-district system of representation in the area-wide agencies it has designated for the review of federally assisted plans and projects.
  2. Require these agencies to be composed more broadly than they are at present of individuals representing all interests within the region.
  3. Charge these agencies to develop proposals for presentation to their state legislatures, and assist them financially.
  4. Help the legislatures, financially, with their own studies of urban problems.
  5. Direct federal regional offices to make grants for local urban development projects not on the present basis ("Are your papers in order?" and "When did you get in line?") but according to priorities set by the regional agency, based on acceptable measures of need, fiscal capacity, and relationship to regional policy objectives.
  6. Pass its bloc-grant or revenue-sharing dollars to local units (where these are not freestanding communities, but simply parts of a larger urban region) through formulas developed by the representative and responsible policymaking body.
- (Attachments A and B follow:)

#### ATTACHMENT A

[From the National Urban Coalition magazine, January-February 1971]

#### TWIN CITIES: A STRONG SENSE OF REGIONAL UNITY . . . HAS PRODUCED A NEW METROPOLITAN LEVEL OF GENERAL GOVERNMENT

The Twin Cities metropolitan area—one of the nation's major regional capitals, with, in 1970, about 1,865,000 people—is a unique pattern of settlement. The corporate cities of Minneapolis and St. Paul are joined in a residential area near the University of Minnesota campus. The downtowns are in the center of each municipality, 15 miles apart along the Mississippi River. The cities' boundaries form almost identical rectangles, save that St. Paul is—so to speak—tipped on its side, with its head lying to the east. Both are fully surrounded by a quilt-like pattern of suburbs, the first of which—West St. Paul—was incorporated before 1870. On the Minneapolis side, which has had about two-thirds of the growth since 1945, the third tier of suburban municipalities is now complete, and a fourth tier is already beginning to form.

The story of the Twin Cities, which used to be a story of the differences between Minneapolis and St. Paul, is increasingly a story of the differences—and rivalries—among their 136 suburbs.

For all their individual differences, the Twin Cities suburbs are divided basically by a line from the northwest through downtown Minneapolis, through downtown St. Paul, and southeast toward Chicago. To the north and east of this

line incomes, valuations, and public services are almost uniformly lower than in the higher-value subdivisions and commercial-industrial areas in the rolling country to the south and west.

It is true that the area's major concentrations of really poor families—like its major concentrations of old and substandard housing and its capital needs for redevelopment—remain within the central cities. Yet, taking municipalities as entities, measuring by valuations or expenditures per capita or per student, Minneapolis and St. Paul usually appear somewhere in the middle. The extremes in wealth and services are to be found in the suburbs.

#### PATTERNS OF GROWTH

The fundamental socioeconomic pattern in the metropolitan area is an extension of the pattern established early within the two cities: the workmen's homes developing to the north and east of the down-towns; the higher-valued homes moving to the west and south. In Minneapolis, the larger homes appeared on Lowry Hill, and later around Lake Calhoun and Lake Harriet to the south-west. In St. Paul, the movement was westward toward the wooded gorge of the Mississippi. Except for the street signs, the city limits are almost indistinguishable; in a real sense, the neighborhoods in the corners of the cities have more in common with the suburbs across the street than they do with each other.

The community of East Europeans in northeast Minneapolis, even before the war, spread up into the adjacent municipalities of Fridley, Columbia Heights, and St. Anthony. North Minneapolis grew out onto the old truck farms of Brooklyn Center and Brooklyn Park. South Minneapolis moved down the level land into Richfield and Bloomington. In the 1920s, the Lake Harriet District extended itself southwest into Edina—today a community of salaried executives, professionals, and businessmen with one of the highest median incomes of any municipality in the nation.

The suburban development around St. Paul came much more slowly. The residential areas serving the University of Minnesota grew northward into Falcon Heights and Roseville, and the blue-collar East Side (which corresponds to Minneapolis' North Side) moved into Maplewood and southeast into the postwar tract housing along the Mississippi. On all sides, some residential suburbs were established early beyond the then-existing fringe of development. South St. Paul was the packinghouse district. Hopkins, on the railroad west of Minneapolis, was a farm implement manufacturing center. North St. Paul, Osseo, and Farmington were old farm trade centers—now engulfed by residential subdivisions. Hastings, south along the Mississippi, and Stillwater, east of St. Paul on the St. Croix River, were the leading cities of Minnesota when Minneapolis and St. Paul were just getting started.

Before 1900, people from Minneapolis had established communities on Lake Minnetonka, and St. Paul people around the shores of White Bear Lake—some composed of large homes which have maintained themselves, but some composed mainly of small summer cottages which are now occupied increasingly by lower-income people. More and more, the wealthy are moving toward the smaller, more private lakes—into Orono (a reminder of the Twin Cities' Yankee origins) north of Lake Minnetonka and to enclaves like Gem Lake or Sunfish Lake, north and south respectively of St. Paul, or to North Oaks, a private municipality, with a gate.

After the war the tract homebuilders, too, began skipping out into the country—particularly onto the Anoka sand plain—with the subdivisions of septic tanks and backyard wells which were to create a major sewerage problem a decade later. Before 1959, when the legislature made incorporation possible only with permission of a state commission, a bizarre variety of suburbs appeared. Hilltop and Landfall are each a few blocks of trailer homes, incorporated to permit a liquor license. Medina, Corcoran, and Independence are agricultural townships incorporated as a defense against annexation by the small trade centers within them. Circle Pines appeared as an experiment of veterans in co-op living. Little Canada remains almost a 19th-century community, still with its French names and its disdain for municipal services. More recently, there is the federally assisted "new town" of Jonathan to the southwest. And there is Oak Park Heights—1,237 souls and a 550-megawatt generating station, along the St. Croix.

In the mid-'50s, the dispersal of offices, stores, and industry into the suburbs largely followed, and reinforced, the residential pattern, the shopping centers orienting to the high-income neighborhoods, industry relocating around the new freeways and the airport to the south, and offices gravitating toward both, cre-

ating a new kind of suburb—psychologically independent of the rest of the area, aggressively working to build tax base, increasingly a wealthy and influential rival to the central cities. Bloomington is the prototype, a rural township in 1953 and today, with 81,761 residents, the fourth largest city in the state—in large measure (ironically) as a result of state, metropolitan, and central city investments in a stadium, a new international airport, and two freeways.

#### A NORTH-SOUTH DIVISION

The old east-west, Minneapolis-St. Paul struggle is still discernible, in jurisdictional conflicts among labor union locals, for example, or in efforts by communities along the invisible border to shift from one telephone book to the other. But, more and more, “north” and “south” is coming to be the basic division (as it has been, traditionally, in Minneapolis city politics), reflecting the basic social and economic divisions of the area. Currently, it is the essence of a bitter quarrel over the location of a new major airport—sought primarily for its (presumably) related commercial development, and therefore tax base.

The northern suburbs have reason to feel desperate. With many large families of below-average income, and little nonresidential development, tax burdens on a \$20,000 house are twice what they are in some municipalities to the south. Despite this effort, the levels of municipal and school services (for example, expenditures per pupil) are still, in many cases, markedly below those in the south. One statistic is striking: the proportion of families (by high school district) in which the father has no more than an eighth-grade education ranges from a low of 1 per cent in Edina to 33 per cent in the Centennial district, in Anoka County to the north. No district within either Minneapolis or St. Paul has so low a proportion as Edina. But none—even in the lowest-income central city district—has so high a proportion as Centennial.

The increasing movement of blacks out of the traditional neighborhoods of Minneapolis and St. Paul tends to be almost exclusively a movement of higher-income, white-collar black families into the relatively more expensive, rather than the less expensive, suburbs. There is some significant movement of middle-income blacks into better housing within the central cities as well. Those making the jump to the suburbs appear to be civil servants, engineers, and other professionals, moving south to Bloomington, or into Roseville, or west into Golden Valley or Minnetonka. Bloomington particularly has a sizable number of high-income blacks—the members of the Minnesota Twins and the Minnesota Vikings.

By all accounts, the homes of suburban blacks are widely dispersed. Almost literally, no black family lives next door to another. The exception is a cluster of black families in Maplewood, northeast of St. Paul, where about 40 families live on what was purchased as a farm in the late 1940s. Originally a group of lower-income families, the small community has gradually been changing as relatively higher-income civil servants or railroad employees move in.

Fewer families have gone to the northern suburbs, though this is where more of the relatively lower-priced housing exists. In 1960, for example, Coon Rapids—then the largest concentration of lower-priced tract housing in the area—had no blacks at all among its 15,000 inhabitants. (The special census in 1965 showed 88 nonwhites in a population of 26,000—24 of them black.)

All conclusions, of course, are basically affected by the fact that blacks represent so small a proportion of the total population of the Twin Cities area. In 1960, nonwhite people represented about 1.8 per cent of the population. The 1970 census is expected to show nonwhites at about 2.3 per cent. About three-quarters of these are black; the remainder are mainly Indian, Oriental, and Mexican. Perhaps 5 per cent of the black population is suburban.

Most blacks, then, still live in three concentrations within the central cities: one in the Summit-University strip west from the St. Paul downtown; one on Minneapolis' north side (the most racially troubled of the three); and one, composed more of middle-class families, in south Minneapolis. This last area has been expanding most rapidly, moving southward from about 38th Street down Park and Portland Avenues to Minnehaha Parkway, in the 1½-story stucco houses on their little green lawns that typify Minneapolis. The black community on the lower north side has expanded somewhat, largely into what was, a generation ago, the city's largest Jewish neighborhood. Most of the last of the older Jewish families left in the late 1960s, principally for the first-tier western suburb of St. Louis Park where their children had settled after the war.

Restricted as they are, the blacks as a racial group have dispersed more ex-

tensively than the Mexicans, still in the old part of St. Paul opposite the downtown. The worst discrimination, like the worst housing and working conditions, is reserved for the Indians. Half of all the Indians in Minnesota live in the Twin Cities area—virtually all of them in an older apartment and rental-housing area just south of the Minneapolis downtown.

There are some fascinating indications that one segment of the really low-income population does escape the central city: the white families, many of them originally from farm areas, who skip over the suburban ring entirely to settle in the second-hand trailers, or the small prefab homes, or the old homes in the small, dying trade centers in the rural fringe. One Scott County commissioner insists he knows a hamlet that has been entirely bought up by a real estate firm which has advertised the houses in the welfare offices and filled the town with families on relief. It is a suggestion that badly needs to be followed up. Pushing the poorest people to the outer edges of the urban area is, after all, the pattern in most of the world's metropolitan areas.

The establishment of a set of major "centers" of commercial and industrial activity in the suburbs is not only a fact of the development since the 1950s, it is also, now, the conscious goal of public planning. While striving to maintain, and expand, the downtowns as regional, state, or national centers of government, finance, and service enterprise, the Metropolitan Development Guide soon to be adopted by the Metropolitan Council aims, as well, to develop perhaps five additional locations immediately (and perhaps an additional seven by the end of the century) as really diversified centers, including large shopping areas, related office space, high-density (and high-rise) residential, and hospital, educational, and other institutions. The hope is to have them linked—with each other and with the downtown—by as high capacity a mass transit system as the area can be persuaded to finance and develop.

Before about 1956 the Twin Cities suburbs had little in the way of commercial or industrial development beyond implement manufacturing in Hopkins, the packinghouses in South St. Paul, and retailing in the old, surrounded trade centers—and the postwar strip shopping centers ("Miracle Mile") in the first-tier suburbs. Then, about 1956, General Mills relocated its headquarters into a new office structure in the first-tier suburb of Golden Valley west of Minneapolis. At about the same time, the 3M Company was expanding its corporate offices in the first-tier suburb of Maplewood, east of St. Paul in 1956, too, Dayton's (in 1945 a department store in downtown Minneapolis; today—as the Dayton-Hudson Corp.—one of the largest merchandising organizations in America) opened Southdale, the first of its new weather-enclosed shopping centers, in the high-income southwestern suburb of Edina. In the late 1950s the area's major commercial airport was expanded south of the two downtowns, and the first stretch of interstate freeway was built west from it, past the new Metropolitan Stadium, along the northern border of the second-tier southern suburb of Bloomington.

Today, this stretch of I-494 is a solid strip of commercial development, marked at its eastern end, opposite the airport by the new home-office tower of Control Data Corporation and—six miles down the road—by the high-rise tower of the new 600-room Radisson South Hotel. Planners now estimate that the cluster of development at the west end of I-494 may, by 1980, have as many jobs as the central business district of St. Paul. East of St. Paul, meanwhile, 3M Center is now projected to double to about 21,000 jobs by 1980.

Southdale became the pattern for the area's highly concentrated retail development, three- (major) store centers, then four-store centers, then five-store centers; first to the southwest, then to the northwest, then to the north of St. Paul, next to the southwest of Minneapolis, and after that to the south of St. Paul around the interstate belt. Increasingly, prime office space is planned and developed around these centers, and now that shopping peaks have become an evening and weekend phenomenon, perhaps on top of them as well.

With all this, the downtowns have remained vital. Both underwent major commercial-area renewal during the 1960s, and retain the growing headquarters of the local, regional, national, and multi-national firms based in this metropolitan area. Above the Minneapolis skyline, in the spring of 1971, will rise the steel for the 57-story home office of Investors Diversified Services and Dayton-Hudson.

The whole functions as a metropolitan system of retail, office, industrial, and cultural facilities made possible by the not-yet-really-congested system of major roads. Office employees drive into the Minneapolis downtown from the far western suburbs (though the western end of St. Paul, a short trip the other direction, is increasingly popular). Blue-collar workers from the northern suburbs drive to the commercial and industrial facilities in the southern and western suburbs.

Conventioners drive in the evenings out to a developing entertainment complex in Chanhassen, a third-tier southwestern suburb, while suburbanites drive in to the symphony downtown. Residents from the outlying, truly rural towns drive in to the employment centers around the freeway belt without ever seeing downtown. And executives transferred to the Twin Cities area and advised that Edina is the place to live, drive everywhere.

The forces—both of the market and of public planning—that will impel the suburban development toward ever-larger “centers” in the ’70s and ’80s raise major problems which the metropolitan area is only now beginning to try to resolve. The enormous amount of cross-area movement at peak hours will pile huge volumes of traffic onto the freeways which intersect near the Minneapolis downtown (geographically, the center of the metropolitan area), and which are depended on, as well, to carry the traffic destined for downtown. Either new radial facilities (highway or transit) must be built to improve the accessibility, and the growth, of the downtown, or additional freeways must be cut through the city, around the downtown. The same “centers” policy is concentrating high property valuations into what are, in most cases, already the higher-income municipalities, requiring major adjustments in the system of local public finance to support educational services, particularly in the bedroom suburbs. Again, since the central cities have, and will continue to have, the largest of the major centers, the issues of transportation policy and fiscal policy thus raised are not “central city vs. suburban” issues in the old and stereotyped sense. They divide the suburban municipalities—Minneapolis area suburbs and St. Paul area suburbs: northern suburbs and southern suburbs; older, first-tier suburbs and newer, third-tier suburbs—in exceedingly complex patterns, now emerging in the policy debates in the new metropolitan government.

#### PATHS TO UNITY

A strong sense of regional unity that appeared in the Twin Cities area about 1966 has produced a new metropolitan level of general government for the seven-county area, structured on a one-man-one-vote basis and likely by 1972 to have its members directly elected.

Several streams flowed together into the consensus that made this new structure possible. One was the realization in both Minneapolis and St. Paul that, in economic growth as in professional sports, the critical competition in which they are engaged is not between themselves, but between the Twin Cities area as a whole and the other metropolitan complexes: Kansas City, San Francisco, Chicago, Atlanta. A second was the steady consolidation of *private* institutions once organized separately on a “Minneapolis” and “St. Paul” basis: trade associations, labor contracts, sales districts, religious denominations, and all manner of increasingly expensive educational and cultural activities, reflecting the reality of the metropolitan “city.” A third was the increasing investment of central city enterprises in suburban development: the retail centers built around the Dayton’s stores, the hospitals that are satellites of downtown hospitals, the office buildings constructed by downtown property developers. A fourth was the recognition, which spread rapidly through the governmental community, that the area was in fact getting “metropolitan government” inevitably, piece by piece, with the creation of separate, areawide special-purpose districts—none of which could be coordinated easily with each other or with any general, areawide development plan.

The Metropolitan Council, created in 1967 with the broad support of the local government and civil leadership, was therefore aimed consciously and specifically at handling only those large and highly strategic services and facilities that were critical for overall regional development and clearly beyond the capability (or the interest) of the units of local government. Legislatively created, and placed “somewhere between” local and state government (as the Attorney General ruled), the council consists of 14 members representing districts of equal population created by combining the reapportioned state senate districts by twos. As an initial (and presumably interim) arrangement, members are appointed by the governor who also names one citizen of the area as its chairman. The council took over the powers and the staff of the Metropolitan Planning Commission. It was regional agency to review the federal-aid applications of local units. And it was given by the state the additional authority to “suspend” if necessary the plans and projects of the areawide special districts. It has a tax levy which brings in about half its \$3 million-plus annual budget.

The primary function of the council, at least in these early years, is not so much to build facilities and to administer services as it is to make possible a formal consensus within the Twin Cities area that will unlock the powers of the state legislature to create the new metropolitan authorities and institutions, and to reorganize the systems of local government organization and finance, for the new pattern of development and decisionmaking that lies ahead. The process began in 1959, when the council's proposal for the organization and financing of an areawide sewerage system resolved the disagreement within the area which had deadlocked the legislature since 1961. In the past 18 months, all local sewage treatment plants and all interceptor sewers have been taken into what will be developed and operated as a full metropolitan system.

The pattern established is to organize these operating functions, as they are agreed upon, not in a kind of "city manager" system on a grand scale, but under separate but subordinate boards, supervised by citizen members and responsible for the specifics of program policy—leaving the Metropolitan Council free to move on to the next major issue of areawide development. The council directs the specialized boards, as a "general contractor," by appointing their members, by controlling their finances, and by laying down the basic plans within which the "subcontractors" must work.

Refuse disposal (not collection) is falling into this pattern, though here the "operating" agencies are the seven county governments, which will acquire and run the landfill sites. So, too, is major open space. It is likely the 1971 legislative session will gather together the major transportation planning programs on a similar model. The council has been designated the regional agency under the federal block-grant programs for criminal justice and for cooperative health planning. It will bring to the legislature in 1971, as well, a proposal for a regional role for itself in housing (though not at first as a builder).

#### STRENGTHENING ALLIANCE

The Twin Cities area has developed both a regional government—in the Metropolitan Council—and a set of institutions through which the local governments can express their interests as municipalities, counties, and school districts in questions of regional policy. The decision has simply been not to try to combine in a single regional agency what are seen as two quite different functions.

Separated from any current role in local government, the members of the council and of the subordinate boards (many of whom have extensive prior experience in local government) are beginning to reflect a new pattern of interests among the different parts of the Twin Cities area. What seems to be emerging is a recognition of the community of interest among those parts of the area that are, at any given time, experiencing the particularly heavy costs both of development and of redevelopment, as contrasted with those parts of the area whose basic facilities are essentially "in and paid for" and are still some decades from obsolescence.

Currently, this implies a strengthening alliance between the central cities and the third-tier suburbs, particularly to the north, as the area moves toward its decision on the reorganization of its system of local finance. This may be supported even by the first- and second-tier suburbs—not so much out of an enlightened interest in orderly new development and in strong core cities as from a pragmatic interest in a system which will provide for them, as well, when (inevitably) their own streets, schools, housing, and commercial areas must also be rebuilt. The example of Minneapolis, which turned away suburban pleas for help in the 1950s on the argument that it had paid its own way (the assumption seemed to be that its facilities would last forever) is fresh in the minds particularly of the early-postwar suburbs, which are not too far from feeling the deterioration of their inexpensive housing and the growing competition from businesses on the freeway belt just outside their boundaries.

The graceful shift toward increased reliance on nonproperty taxes for local government is now almost certain to come in the form of sales or income taxes collected at least regionwide, and distributed to local units on new formulas which better reflect community need and ability to pay. Essentially, this principle may also be applied to the property tax, pooling a portion of the growth of nonresidential valuations on a seven-county basis and apportioning perhaps half of the increased base legally to all parts of the region, on a per-capita basis to be taxed at least for schools, if not for municipal and other services. Some such arrangement now seems essential as valuations continue to concentrate in the relatively few jurisdictions that contain major diversified centers. The passage of such a bill in the lower house of the legislature in 1969, by a coalition of

core-area, northern suburban, and fringe-area representatives, is perhaps the clearest evidence of the breaking down of the old assumptions about "suburban" versus "central city" interests in this urban area.

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#### ATTACHMENT B

[Statement by the Citizens League before the House Committee on Metropolitan and Urban Affairs and the Senate Urban Affairs Committee, March 1, 1971]

### METROPOLITAN ISSUES AND METROPOLITAN ORGANIZATION: 1971

One of the outstanding achievements of the Minnesota Legislature in recent years has been the creation of the Metropolitan Council. This new state-created institution of local government has given the Twin Cities metropolitan area the capacity really to solve the complex and urgent problems of urban development which remain unsolved in most metropolitan areas, and it has in the process brought the State of Minnesota, and the Minnesota Legislature specifically, national attention and national acclaim.

This new institution—the Metropolitan Council and its related "executive" agencies—is evolving through a series of legislative sessions. In 1967 the Legislature concentrated first on what was at that time most critical: the construction of essentially the "legislative" or policy-making side of the new area-wide structure. In 1969 the Legislature began laying out the structure for the implementation of the Council's plans and policies, particularly in the urgent area of sewage disposal. Now in 1971, with the foundation well established, both sides of the new area-wide governmental structure are ready for further development by the Legislature.

The Citizens League is pleased to have this opportunity to appear to offer its views on the issues that are presented this year and on the further steps that can and should be taken. We have followed the work of the Metropolitan Council closely since its creation. We have continued to study the issues. We hope we may be in a position to evaluate both the performance of the institution and the basic legal framework on which it was established.

#### WHY THE METROPOLITAN COUNCIL WAS CREATED

It is useful at the beginning to recall the context in which the proposal for a Metropolitan Council came before the Legislature in 1967. It had been increasingly apparent for some years that problems were appearing which were beyond both the responsibility and the authority of any of the existing units of local government—municipal or county. They were, at the same time, issues whose direct effects were largely confined to the metropolitan area itself. The most pressing of these, from about 1961 on, was the multi-faceted issue of sewage disposal.

Needing new authority for the creation of new governmental organization and powers at the area-wide level, the Twin Cities area turned to the Legislature. But it proved—in the legislative sessions from 1961 to 1967—extremely difficult for the Legislature to act. It was clear the problems were not essentially engineering or technical problems. The fundamental difficulty, the Legislature came to feel by 1967, was, rather, the absence of a formal, representative, responsible consensus within the Metropolitan area itself as to what was *wanted* . . . on the basis of which the Legislature could then make its decision.

In 1967, therefore—laying aside for the moment questions about administration and finance—the Legislature concentrated on the creation of a new structure genuinely able to speak for the urbanized area as a whole, the Legislature gave to the new Metropolitan Council a specific charge to return with specific decisions and proposals on key issues—sewage disposal being chief among them. The Legislature also gave the Metropolitan Council certain limited but important coordinating authority over the independent special-purpose districts which had been created one at a time over the years in response to the perceived need for the handling of certain problems at the metropolitan level.

#### THIS FORMULA HAS SUCCEEDED DRAMATICALLY

The Legislature's perception that the first job was not to build facilities and run programs, but rather to reach a local agreement on what should be built and what programs should be run, laid a sound foundation. The Metropolitan



Council went to work quickly to hammer out within the seven-county area among all the interested parties an agreement on a physical, financial and governmental plan for the collection and disposal of sewage. This plan was presented to the 1969 legislative session. It formed—as hoped and expected—a consensus which permitted the Legislature to respond as it typically does to what it considers essentially local bills . . . evaluating the proposal in relationship to state policy, checking to be sure that all affected groups had in fact been given a fair hearing, and in the end modifying and improving the plan submitted.

Two things were thus dramatically demonstrated: First, the appropriateness and effectiveness of the basic arrangements on which the Metropolitan Council was set up; and, second, the critical importance and usefulness of orienting a representative metropolitan agency to a state legislature—which is, after all, the principal storehouse of powers critical for the solution of urban problems.

#### THE LAW HAS RECEIVED INTENSE ATTENTION NATIONALLY

Beginning immediately in the summer of 1967, Minnesota began to be visited by the urban reporters for newspapers in other metropolitan areas, by political science students, by delegations from other legislatures, by local officials, and by delegations of businessmen . . . all eager to see firsthand what had been created here, how it had come to be created, and how successfully it was operating. Officials of the Metropolitan Council, and some legislators as well, began to be invited elsewhere to answer the same questions. The list of areas interested is a long and impressive one: San Francisco, Chicago, Denver, St. Louis, Baltimore, Washington, Dallas, Atlanta, Detroit among others.

Two principal forces have been at work stimulating this interest:

##### *The desire for regional unity everywhere*

By the late 1960's leaders in most metropolitan areas were coming to realize that in an important sense their concern about "city" problems rested on their definition of a "city." When viewed as individual municipalities, many cities were indeed seriously and increasingly suffering from a shortage both of financial resources and of leadership; yet it was increasingly apparent that the "cities" of America—viewed as the rapidly-growing metropolitan regions—were, in fact, the nation's great centers, both of wealth and of brains. The problem was that they were not organized in such a way that these resources could be released locally for a direct attack on their local problems. Seen this way, the challenge became to organize their systems of local government and local public finance so that these resources *could* be brought to bear. As early as the mid '50's, efforts in this direction had been made in a number of metropolitan areas—almost always without success.

##### *The need for a federal urban policy*

Increasingly through the late 1960's too, the federal government was beginning to try to relate to urban problems at the metropolitan scale. With the 1970 census, which confirmed that everywhere the central cities are now a majority part of the larger urban region, this has now become imperative. More and more we will see the federal government trying to deal with the urban area as a whole.

The problem is that metropolitan areas are not presently organized to be dealt with as a whole. Organizations at the metropolitan level do exist, now, in most of the 233 standard metropolitan statistical areas. But they are typically set up on a basis which does not let them operate effectively as spokesmen for the area as a whole . . . principally because, as a result of the way in which their voting is structured, they do not fairly represent all the people in the area. There is currently in federal court in Cleveland a test challenging the basic principle of representation in these agencies, which is of potentially enormous significance: If the court does, in fact, strike down the "one unit, one vote" system in these agencies, there will be a critical need—from the point of the national government—to try to develop new and workable arrangements for representation and voting at the metropolitan scale.

Minnesota's Metropolitan Council seems at this point the best, if not the only, answer: A formal, legislatively-created, effective decision-making body provided with meaningful resources for its planning and invulnerable on the population-equal requirement for voting. The success of the new institution being developed by the Legislature in Minnesota is, therefore, of major national significance.

## WHAT LEGISLATIVE DECISIONS HAVE BEEN KEYS TO THE SUCCESS OF THE LAW?

Four principles were built into the 1967 and 1969 act which have turned out to be absolutely essential for the successful functioning of the new metropolitan governmental institutions. They are worth bearing in mind as we take up the question of further changes in 1971:

*Limited powers, on areawide functions only.*—The Metropolitan Council was not given home rule powers: The decision on the functions to be undertaken, the form of organization, and the financing authority remains with the Legislature. In assigning functions, furthermore, the Legislature carefully confined the Council to areawide functions only. We believe the Council in its first four years has respected this distinction. It has sought to coordinate primarily the decisions of the independent special districts set up to operate areawide, or nearly areawide programs. The line is harder to draw in the case of decisions made by individual municipal or county units, yet here, too, we think the Council has moved carefully. It has on occasion intervened in decisions about the design of highway interchanges; on the other hand, it refused to be drawn into a dispute among municipalities over development of a central fire training facility. An inter-community problem, in other words, the Council reasoned, is not always a *metropolitan* problem.

*Concentrate on policy issues.*—The Legislature introduced the Metropolitan Council not because the areawide special districts were not effective in building and operating their own facilities (they were, and are), but because it was proving impossible to coordinate these special districts with each other, or with any general plan for the development of the Twin Cities area. In other words, because the *policy* decisions were missing. This was, and has remained, the Metropolitan Council's primary job.

A number of extremely complex and controversial issues were presented. By confining itself to the policy questions, it would be possible for the Council to move fairly rapidly, across a broad front, in its attack on metropolitan problems.

We have found, and sense ourselves, some feeling that the Metropolitan Council has moved more slowly than the Legislature had hoped, and perhaps more slowly than it might have, on these policy issues—particularly in the preparation of its Metropolitan Development Guide and in the translation of the principles and policies of the Guide into specific situations on the ground. Nevertheless, we cannot believe that these key policy decisions would have been made faster if a greater part of the Council's time had been drained away by the issues that inevitably arise in the supervision of construction, the operation of facilities, and the hiring of people. By keeping the Council free of this kind of time-consuming operational decisions, the Legislature has at least provided the opportunity for a more rapid attack on the key issues facing the area. Members of the Metropolitan Council have involved themselves, personally, deeply in these issues. They have not simply come to the every-other-Thursday meeting to approve proposals laid before them. As a result, they have become educated about the intricacies of the issues—and thus able to go out into their constituency to explain the Council's program. We must recognize, too, that, especially between 1967 and 1969 the Council found itself involved in issues beyond those presented to it by the Legislature—as a result of federal legislation in the areas of criminal justice, health, and housing, which required decisions on a regional scale.

*An ability to make decisions.*—The Legislature in 1967 saw clearly that, if the Metropolitan Council were to function to produce the kind of consensus in the Twin Cities area on the basis of which the Legislature could act, it must be structured so the voting system worked effectively. This meant that the representation had to be set up so that districts represented simply equal numbers of people. In establishing the Metropolitan Council on this basis, the Minnesota Legislature made a distinction which has totally escaped most, if not all, other metropolitan areas: That is, the distinction between a mechanism for reaching consensus among the *people* of the metropolitan area, and a mechanism for reaching consensus among the *units of local government* within the metropolitan area. We have provided, here in Minnesota, for *both* these mechanisms. The Metropolitan Council represents the interests of the people of the Twin Cities area in issues of metropolitan concern. The interests of the local governments are represented through the associations of municipal, county and school officials. Both are essential. But they are different. And it has been essential not to confuse the two. Put another way:

The Legislature acted within the basic structure and tradition of Minnesota, which does not provide for interlocking levels of government. One level is not built out of another.

Manifestly, this system works. Controversies continue in some cases about the merits of what the Metropolitan Council decides. But the Metropolitan Council is able to make decisions. And the system of voting is felt to be fair.

*Assign operations to "subordinate boards."*—The Legislature's approach to metropolitan government has been essentially to pull together the area-wide special districts under a representative and responsive metropolitan council. The Council represents essentially the policy-making side; the "operating," "executive" side consists of the special districts that remain responsible for the construction and administration of their respective systems, and for the specialized "program policy" issues that need not, and should not, find their way into the Metropolitan Council at this state of its work.

The closest prototype for this organization of metropolitan decision-making has, of course, been the Sewer Board. The Council appoints the board members, prepares and adopts a comprehensive sewer plan and program for the board to implement, and it approves the annual budget of the board. We believe the record of 1969-71 confirms the soundness of this approach: The legislative charge in 1969 to finance and develop a truly areawide sewerage system has been implemented probably more rapidly than almost anyone would have expected. In less than two years, the new agency has been set up and staffed. It has taken into areawide ownership the treatment plants and major interceptors, bonds have been sold, construction is under way; the area is, in short, well on its way really to getting on top of the fundamental problem of water pollution and waste disposal which remains so very largely unsolved in so many major metropolitan areas. We believe this success is in part traceable to the legislative decision to spin off the construction program into a sewer board separate from, but not independent of, the Metropolitan Council.

#### HOW ARE THE MAJOR RELATIONSHIPS WORKING?

The insertion of a level of metropolitan decision-making into the governmental system between the state and the existing local units could not have been expected to come without some uncertainty and some friction. Not all questions could be anticipated. Not all working relationships could be predicted. Measured against the importance and complexity of this change in governmental organization, however, the difficulties that have, in fact, arisen since 1967 are not fundamentally serious. It is essential to remember that up to 1967 there was virtually no metropolitan area in the country where a metropolitan reorganization of this sort has ever succeeded at all:

*Metropolitan/state relationships.*—In 1967 the Legislature essentially recognized that the Twin Cities urban area, like each other urban area in Minnesota, needed a council within which the problems of the urban area as a whole could be talked out. Typically, elsewhere in the state, this purpose is served by the municipal council. In the Twin Cities area, because the existing municipalities embrace only "neighborhoods" of the entire area, it was necessary to create a new council for the metropolitan area. The Legislature did not want to create a single municipal government at this scale replacing the existing local units. It did, however, recognize that the Metropolitan Council is, in some respects, performing the local policy function handled elsewhere in the state by the municipality. The Attorney General's opinion reflects this unique status of the Metropolitan Council: Neither a fully state agency nor a fully local agency, but something in between, having some of the characteristics of each.

Clearly, each level depends on the other. The State Pollution Control Agency, for example, depends on the "local" Metropolitan Council and the Metropolitan Sewer Board, actually to construct and operate the sewerage system necessary to meet state water quality standards in the Twin Cities area. The metropolitan agencies, from the other point of view, depend on the PCA for the framework of standards and guidelines that will let them know what to build and how it is to be operated. In the pollution and sewage disposal area this relationship seems to have worked well over the past several years. Much the same kind of relationship exists in the development of other major systems in the Twin Cities area. With respect to airports, for example, the state, which does not build airports, depends on a state-created

local agency to locate, construct and operate facilities. Again: The metropolitan agency depends on the state for the framework of statewide plans and guidelines.

*Metropolitan/local relationships.*—One of the most striking things about the 1967 legislation—in which the Legislature established a metropolitan council without (as in the metropolitan consolidations in the South) eliminating the local units—was that the officials in municipal government not only concurred in but also actively championed the proposal. We have not reviewed in depth the history of Metropolitan Council/municipal relations over the last two or four years. We are aware of some complaints by some municipalities of a “lack of contact” by the members of staff of the Metropolitan Council, or both. There have also been, of course, individual disputes—as over the design of a particular highway interchange—between the Council and an individual city or village. By and large, it is our impression that the relationship between the new metropolitan level and the municipal level is no worse—and is perhaps substantially better—than the relationship between municipal and county government, or between municipal and state government. We see nothing in the last several years, at any rate, to compel as this point a structural change in the organization as established so far. Some additional efforts, and procedures, to assure timely consultation with the affected local units would be helpful.

Clearly, we are in a period in which the responsibility for carrying out governmental functions in many different areas is shifting back and forth across the invisible line that divides municipal from county, county from metropolitan, and metropolitan from state. It is the Legislature that is basically organizing and directing this reallocation of powers and functions. It is too early at this point to tell what the new division of responsibilities will look like, when the process is substantially completed. Municipalities may then, for example, be performing street maintenance even on “county roads.” Counties may be owning and operating certain libraries or parks now owned and operated by municipalities . . . just as in recent years counties have taken over what were formerly municipal public hospitals and even lower courts. The line between county and metropolitan is, at this point, perhaps the most unclear, and in dispute.

*Metropolitan Council/subordinate board relationship.*—The Legislature in 1969 set up the Sewer Board separate from, though not independent of, the Metropolitan Council. This relationship—much in the nature of a basic legislature/executive relationship—has produced (as has been reflected in news accounts in recent weeks) some visible conflict between these two entities. Again: While we think it would be desirable for the Legislature to watch this relationship between the Council and its subordinate agencies closely, we do not see at this point that a restructuring is called for. In some respects, the apparent conflict is probably not unhealthy: Real disagreements over policy direction are thus brought out into the open. And the aggressiveness of the subordinate agency may perhaps be pushing along the development of issues, and of decisions, faster than would otherwise occur.

Certainly, more difficulty has been experienced between the Metropolitan Council and other areawide (or larger-than-municipal) agencies that are not yet in the Metropolitan Council/Sewer Board relationship. The principal example has, of course, been the Metropolitan Council/Metropolitan Airports Commission relationship. The present arrangement, in which the MAC initiates proposals and the Council reacts, has proved an unproductive arrangement for reaching decisions. After the second suspension of the Ham Lake proposal, it does appear the Metropolitan Council is moving to prepare—again in its capacity of something like the “general contractor” on the job of metropolitan development—the basic policy guidelines that will give the MAC some direction in the planning of its facilities . . . particularly some direction about the number of major airports and the general area in which they should be located. The experience with sewers, on the other hand, and the rapid development of that system suggests that more progress could have been made on the airport problem if the MAC had been in an essentially subordinate board, or “sub-contractor”, relationship to the Metropolitan Council.

Once more: We should not forget that, whatever the problems to date in the experience with the new metropolitan institutions in the Twin Cities area, the record—compared with the record in most other metropolitan areas around the coun-

try—is, and is generally regarded as, an outstanding one. Almost nowhere else has it been possible at all to create a metropolitan council that is at the same time effective and accepted. The rapid progress we have made here since 1967 is a great credit both to the people in the governmental system and to the State Legislature which has designed it.

#### WHAT ARE THE DECISIONS NEEDED IN 1971?

A great many proposals are already on their way to, or are already in, the 1971 Legislature for further changes in the organization and powers of the metropolitan agencies . . . or in their relationships with state or local agencies. Inevitably, therefore, this Legislature will be making decisions about the direction and pace of development of this new areawide governmental structure. We have tried to suggest, in what we have said so far, the principles that seemed to have worked up to this point and that ought to be applied to the decisions to be made this year. The specific areas of proposed change, and our conclusions about the actions that need to be taken, may be summarized as follows:

*Changes in existing independent special districts.*—We believe the remaining areawide districts, not now clearly under the policy direction of the Metropolitan Council, ought to be brought into this relationship in 1971. There will need to be some variations from one district to another. And, not every district should continue to exist separately once brought under the Council's jurisdiction.

- *Metropolitan Airport Commission.*—We urge the MAC be made a separate service commission under the Council on the "Sewer Board Model." Representation should then cover the suburban as well as the central city portions of the area. The MAC, thus reconstituted, should continue to own and operate the airport system for the Twin Cities area. We fully recognize the interests of the state in this system, through which most residents of the state pass when they are traveling to other parts of the country. But it seems clear to us that the interest of the state requires, not a transfer of the administrative management of the system to some agency, but rather a completion of the state's own plans for airports, indicating the way in which various cities are to be served. The Metropolitan Council and its subordinate MAC will then follow these guidelines.
  - *Intra-urban transportation.*—We recommend the Legislature convert the "management committee" in the inter-agency transportation planning program established in 1968 into a statutory Transportation Board, with members selected by the Metropolitan Council. This board, taking its general direction from the Council and its development guide, should give direction, in turn, to the "operating" agencies responsible for the auto/highway and the transit modes. These agencies should have their roles redefined by the Legislature, so that the Highway Department—as the competent public works agency—becomes responsible for building the facilities both for autos and for transit; and the Metropolitan Transit Commission becomes an enterprise-oriented agency responsible for managing the use, and improving the utilization, both of the vehicles and of the rights-of-way.
  - *Parks and open space.*—We believe there needs to be a metropolitan agency under the Council. The law, as re-passed this year, should include a procedure for the gradual incorporation of the Hennepin County Park Reserve District into the areawide district—on terms agreeable to the present members of the HCPRD. Individual counties should be given a role in the operation and maintenance of the parks in the metropolitan system to the maximum extent they desire.
  - *Watersheds.*—We believe it must be made clear that these *are* independent special districts in the metropolitan area whose plans and projects are subject to review by the Metropolitan Council, since they so profoundly affect the basic ecology and development of the region.
- Additional responsibilities in "non-operating" areas.*—New responsibilities have recently been coming to the Metropolitan Council for planning, for priority-setting and for the allocation of block-grant funds in several new problem areas. This is happening primarily as a result of federal requirements (or requests). If additional block-granting proposed in the administration's revenue-sharing program is implemented, these responsibilities will further increase.

In most cases, no areawide "operating" agency is involved. Many of these are programs delivered through the units of local government. Others—for

example, the programs of federal aid for health facilities, or for housing—are primarily if not entirely the responsibility of *private* organizations. Nevertheless, specialized “extensions” of the Metropolitan Council are being developed for these new responsibilities.

- *Health planning.*—We have urged that the Metropolitan Council, through its Health Board, be given statutory authority to regulate the rate of expansion of hospital beds in the Twin Cities area . . . in the absence of legislative authority to the statewide health planning agency to regulate beds at the state level.
- *Criminal justice planning.*—We believe the regional agency should have greater authority in making decisions on applications for federal grants, and for planning the criminal justice system within the area for which it is responsible . . . as part of a statewide law making the Governor’s Crime Commission a statutory body.
- *Housing.*—We recommended in 1969 the creation of a Metropolitan Housing Board under the Metropolitan Council. We did not then see it as an “operator” or building of housing, but proposed it move aggressively to put together the data now conspicuously lacking, to prepare plans for the location, timing and nature of housing construction and rehabilitation on an areawide basis, with priority attention to the needs of low-income individuals and families, and to make the fullest possible use of all available public and private housing assistance programs.

*Structure of the Metropolitan Council itself.*—Both the imminent redistricting of the State Legislature and the continuing growth of sentiment within the Twin Cities area for the election of the Metropolitan Council present the 1971 Legislature with important and complex choices about the structuring of the Council itself.

- *Area.*—We urge that, for the time being, the present seven-county boundaries be continued.
- *Basis of representation.*—The fundamental principles which must be preserved is the use of equal population districts for the selection of members to the Council. We would like to see these continue to be tied to the reapportioned State Legislative Districts, if this is possible, even if it means—with the growth of total population in the Twin Cities area—some small increase in the size of the Metropolitan Council membership. If, however, some major change is made in the districting of the Legislature—such as a reduction by half of the number of Senate seats—then the districting for the Metropolitan Council should be cut loose and a new set of boundaries established. In this event, we think also the Metropolitan Council should be maintained at about its present size.
- *Method of selection.*—We believe the 1971 Legislature should make provision for the election of the members of the Metropolitan Council. Election should begin in the general election of 1972. We believe the arrangements for election should preserve, so far as possible, the best characteristics of the Council 1967–71 . . . that is, a Council made up of members able to think in real depth, and with considerable freedom, about really fundamental issues of metropolitan development. This, together with the size of the districts and the expense of the campaign, suggests the use of fairly long terms. We would prefer to see the transition to an elective council made gradually, staggered over a set of elections, for overlapping six-year terms.
- *Compensation.*—We have proposed members of the Council, when elected, be paid salaries consistent with attracting and retaining high caliber, less-than-fulltime public officials. Members of the service commissions should be paid at per diem for their services.
- *Chairman.*—it is important to distinguish clearly the two issues involved in the structuring of the chairman as the Council becomes elective. One is the question of the office itself; the other is the question of the method by which the individual is chosen for that office.

(1) We believe it is essential that the office exist clearly as a *leadership* office, and not simply as an additional duty imposed on one of the Council members elected from, and continuing to represent, one of the Council districts. The chairman should continue as a voting member representing and serving the area as a whole, and must be free of the potential conflicts of interest that could arise if he were to be also the representative of a district. Precisely what role the

chairman will need to play, to maintain an appropriate emphasis on at-large considerations within the deliberations of the Council, will become clear only as the area gets experience with its elected council.

(2) The chairman should continue—at least for the near term—to be a resident of the Twin Cities area selected by the Governor, with confirmation by the Senate. This will emphasize the character of the office as a leadership post, representing the area as a whole, in relation to a council elected entirely by districts. It will clearly focus responsibility for the selection of the individual who will occupy the office. And it will continue a meaningful tie with the state government, on both the executive and legislative sides—affording maximum opportunity for the coordination of metropolitan programs with the state programs in which they are so closely involved.

As relationships become better settled, and as the responsibilities of the Metropolitan Council expand, the need for a political leader directly responsible to the people of the Twin Cities area may dictate a shift to direct election of the chairman. This would also open up an opportunity for a reorganization of the metropolitan governmental structure into a more conventional legislative/executive relationship. We did not feel that the addition of an elective position at the metropolitan level was realistic, however, at this stage in the evolution of the areawide government.

The likelihood of, and need for, an elected chairman at some date in the future is a further reason for our decision to reject the appointment of the chairman by the Council itself: The transition to a directly-elected chairman would be easier, we believe, from the present state-selected arrangement. In addition, we have serious concern that a chairman chosen through a process of bargaining among the members of the Council, themselves elected by districts, would emerge without the independent status and authority necessary to function as a strong and effective leader truly representing the area at large.

#### THE METROPOLITAN COUNCIL IS CRITICALLY IMPORTANT TO THE STATE AS A WHOLE

Legislators from non-metropolitan as well as from the metropolitan regions of Minnesota played active roles, both in the designing and implementation of this new metropolitan government structure. Clearly, there has been from the beginning a strong sense of the importance of metropolitan unification, not only to the Twin Cities area but to the rest of the state as well.

The Metropolitan Council has brought Minnesota major national acclaim and attention . . . as—with the coming of revenue-sharing—concern grows about the competence of our state and local governments. The action of the Minnesota Legislature in creating the Council and its services was described recently in a letter from an executive of a major “new town” developer in the East as “an astounding achievement.” If the new governmental arrangements designed here work, Minnesota may profoundly influence the organization of government in urban areas all across the country.

Second, a competent planning and decision-making agency at the metropolitan level is important to the state through the way it can maximize the return on investment of state dollars in the Twin Cities area. State investments in area vocational schools, in the state colleges, in the University of Minnesota, in highways, in airports and in state parks and other facilities will be made most soundly if they can be coordinated with the local development plan for this urban region.

Third, an effective Metropolitan Council is critical to the social and political health of the Twin Cities area . . . and, therefore, to its economic development which—in turn—is critical to the future economic prospects of the state as a whole. The Twin Cities area has been for the past decade one of the fastest growing metropolitan areas in the country, evolving rapidly toward a high-value service and manufacturing center. It is, however, engaged in intense national competition—in economic development as in professional sports—with the other major urban areas, and particularly with the other metropolitan areas of about the same size: Atlanta, Kansas City, Denver, San Francisco, and Dallas. Its success in this competition is particularly related to its ability to provide clean lakes and streams, clean air, swift transportation, parks and open spaces, and to provide those highly specialized educational and cultural facilities and services which, typically, there can be only one of in any urban area. These are precisely the things which can be provided by—and only by—an effective metropolitan governmental organization.

## DECENTRALIZED DECISIONMAKING OF NEW FISCAL FEDERALISM

By SELMA J. MUSHKIN, *Director, Public Services Laboratory, Georgetown University, Washington, D.C.*

The following note is a response to the request from the Joint Economic Committee. The note is directed toward very briefly (a) describing the current concern with decentralization of government, (b) defining the problems ahead for which additional legislative solutions are indicated, and (c) outlining approaches to solutions of those problems. It is not intended to be a comprehensive statement.

### A. CURRENT EMPHASIS ON DECENTRALIZATION

The patterns of proposals by the administration for decentralized decisionmaking within a new fiscal federalism are only now emerging. It now appears that some \$12 billion of Federal grants-in-aid would go to States and local governments basically as unfettered funds to be used in accord with the priorities within the State and local governments. (The \$12 billion total includes general revenue sharing and special revenue sharing other than educational shares and the mass transit set-aside of the special transportation grant.) A new revolution in intergovernmental fiscal relations is in fact being urged—it is a revolution in which the national tax system would be used to finance State, city, and county services but without direction, essentially, from the National Government on how those funds would be spent (except in the broadest of outlines). The grant-in-aid from the National Government, instead of being a stimulus to encourage a particular program by reduced State and local tax cost, becomes a way to tap Federal tax resources on behalf of State and local programs. The raising of taxes is separated from the expenditure of funds, and the expenditure, in turn, is freed from restrictive conditions that could alter State and local program decisions.

The freeing up of uses of Federal funds, together with the removal of matching and conditional requirements, responds to failures of splintered Federal categorical grants-in-aid to function in delivering public services. It is a response as well to the added costs and delays of project grants.

Up to a very few years ago, inaction of States and communities was the subject of much concern. The issue of whether States and communities could provide sorely needed public services was regarded as very much open to question. State disabilities were enumerated as multiple ones—shameful in their resulting neglect of special groups such as the mentally ill and those confined to correctional institutions, and grossly inadequate in their attacks on basic problems of the environment and poverty. Among the worst of the influences at work was the malapportionment of representation in State government, but other



characteristics were no less handicapping. Constitutional restrictions on taxing, spending, and borrowing power have impaired the flexibility required by State and local government to accommodate altered circumstances. And divisive policies of independent commissions and boards and multiple agencies in many instances have kept both State executives and State legislative bodies weak. As a result, a great deal of controversy in the past has centered on the ways to deliver programs to people despite State inaction through, for example, direct national dealings with cities and with nonprofit institutions such as colleges and universities, or through nationally administered programs such as the national social insurance programs. Additional Federal incentives to the States also were applied in moving away from 50-50 matching to substantially higher matching. Weaknesses of the States contributed to such counteractions designed to overcome State government inaction or restricted response to vital public problems. In part to counter State weakness, a shift from the State to the National Government took place, with the Nation acting as a provider of public services or agent of the public in gaining the necessary production of services.

The Nation's actions or counteractions to respond to public service needs reached their peak of activity in the Great Society days. Within a brief span of months, many new Federal aids were adopted, often small in amount, overlapping in purpose, and heavily dependent upon Federal guidelines and review. In 1967, Charles Schultze, then Director of the Bureau of the Budget, in testifying before the Senate Subcommittee on Intergovernmental Relations explained the choices that were faced in responding to demands for national action:

We could have sat on our hands and played it safe. There would certainly be fewer complaints. There would, also, however, be an even worse gap—that between mounting social costs and responsible policy initiatives. In closing one gap, we opened another, but it is the one we prefer. I dislike to see evidence of faulty coordination, spinning wheels, frustrating delays, failures of communication, and all the other dross that comprises the symptoms of uneven administration and program execution. At the same time, it would be surprising if everything clicked smoothly in the wake of such an immensely productive period of legislation.

Nowadays the pendulum has swung and not unexpectedly. The mood is one of decentralization. And that mood is heightened by the elevation to the level of public discussion of the revenue sharing proposal with its emphasis on untied, unconditional Federal grants-in-aid to the States. The Nixon administration's advocacy of revenue sharing has turned on the "cardinal question" of the relationship between the States and the Central Government. "I propose," President Nixon wrote to the Congress in 1971, "that we give our States and our cities, our towns, and our counties the tools—so that they can get on with the job."<sup>1</sup>

Decentralization of decision making, of course, if it is to work in delivery of public services of the kind and in the amount and quality sought by the people, needs to have a complete kit of "tools" for the task. Federal revenue sharing, that is the Federal subvention, has proved over many decades to be an important tool for providing Federal tax support in carrying out program objectives. Is, however, the

<sup>1</sup> *Presidential message*, "General Revenue Sharing." Transmitted to the Congress by Richard Nixon, Feb. 4, 1971.

national interest met simply by providing states with Federal tax funds? In the past the answer has been "no"—more Federal taxes require stouter program strings to get the most Federal Government leverage for the Federal tax dollar. The current advocacy of revenue sharing answers this question with a "yes—in part." And the intent about "the part" is poorly defined.

President Nixon in his 1971 message to the Congress noted that the central purpose of revenue sharing is that it combines the advantages of Federal taxation with the advantages of State and local decision making:

... revenue sharing will not shield State and local officials from taxpayer pressures. It will work in just the opposite direction. Under revenue sharing, it will be harder for State and local officials to excuse their errors by pointing to empty treasuries or by blaming Federal bureaucrats for misdirected spending. Only leaders who have the responsibility to decide and the means to implement their decisions can really be held accountable when they fail.<sup>2</sup>

Decentralization to the States in being urged and encouraged in the many complex ways that Presidential endorsement of a proposal yields. But the foundations of a decisionmaking process in the States and communities have not changed markedly; it may be expected that those foundations in many places are not strong enough to bear the weight of the tasks assigned. As States and community governments are structured now, there is no reason to believe that there is even a 50-50 chance between "mistakes" in use of Federal revenue shares on the one hand, and "splendid successes" on the other, as seems to be implied in the Presidential message of February 1971. The record of the past decades is testimony to scales weighted in favor of "mistakes." To improve the balance and to weight the scales toward successes requires the careful design of a new structure of supports for States and communities that can encourage improvements in State and local governance and decisionmaking.

It remains a truism that strength of the States in our Federal system essentially depends upon the internal power of the State government and State responsiveness to residents who for the most part live in congested urban places. It depends, for example, upon whether the Governor has powers of decisionmaking. And it depends upon the existence or nonexistence of a strong chief executive who has a staff sufficient in numbers and in qualifications and competence to carry out careful analysis of the problem issues before him and thus give him the working materials that he needs for informed decision. It depends also on the quality and responsiveness of the legislators to their constituency, the availability to them of staff competent to carry out required investigation and study, and on the flexibility of the specific rules for program design within which constitutional safeguards are preserved yet optional programs can be formulated and weighed with due concern for the access of the general public to their government, and for fairness. In short, decentralization requires incentives of the national Government to encourage the States and communities to strengthen themselves. Sharing of Federal tax funds alone is not likely to be sufficient. The barriers are far more complex than lack of financial resources, and thus added funding alone will not by itself reduce the barriers.

<sup>2</sup> *Presidential message, "General Revenue Sharing."* Transmitted to the Congress by Richard Nixon, Feb. 4, 1971.

## B. A PARTIAL DEFINITION OF THE PROBLEM

Steps have been taken toward building a foundation in better management processes and skills in the regions, States, and localities for untied (unconditional) grants-in-aid. Among those steps are these:

Project grant funds (e.g., "701 grants") have been provided to improve management processes in the States and communities.

Technical assistance has been given by Federal agencies to the States and communities in their program planning (e.g., Federal Technical Assistance Program).

State and local employees have participated, along with Federal employees, in training programs designed to gain improved staff qualification for analysis and evaluation of programs (e.g., Civil Service programs).

Training has been carried out for States by the U.S. Civil Service Commission at the request of the States (e.g., programs for Utah and Hawaii).

Training programs for State and local officials by universities and others such as consultant firms have been encouraged, including the preparation of personnel training materials (e.g., Title I of the Higher Education Act).

Cooperative intergovernmental programs on statistics and management information systems have been fostered (e.g., Bureau of Census cooperative population data program and HUD management information programs).

Fuller use of new technology in approaches to solution of public service problems in State and city has been actively sought (e.g., HUD, NASA, and NSF programs).

Statutory authority has been granted for public service career training that would encourage competent young persons to enter State and local employment.

The regional structure of Federal agencies has been conformed at least as to boundaries and cities of operations.

Regional offices have been given more authority to act on proposals from the States and communities within their jurisdiction.

The above listing of actions that have been taken is lengthy. Despite the length of the list, it is substantially incomplete. Why then concern about Federal stimulus for actions that would provide a firm foundation for decentralization? Why concern about the future support for the build-up of management capability in States and localities when the vital link between management and funding is so clearly recognized as essential to fulfilling the promise of decentralization?

In reply to these questions, it must be said first that there is no evidence of a firm commitment to counterpart measures that could give reality to the concepts of decentralization. The President's message to the Congress of February 4, 1971, on revenue sharing, for example, mentions none of the counterpart steps needed or even the partial steps that have been taken. It concerns itself with advocacy of new sources of revenue of State and local governments as the means for strengthening those governments. As part of the proposals for a special revenue grant, an appropriation of \$100 million a year is recommended to improve planning capability in State and community for urban and for rural development. That recommendation was made later,

and appears to be in the process of elaboration as the additional revenue sharing proposals are advanced.

Many decisions on basic questions still remain unresolved. What range of planning is to be encouraged? What means are to be used to safeguard the sovereignty of the state while encouraging staff support to the office of its chief executive? What companion supporting funds can be made available to state and local legislative bodies to finance required analytical staff work and post audits on the basis of program results without basic intrusion on federalism? How is the central executive staff support work on program planning to be related to the program analysis and evaluation of the several state or local functional agencies? For example, the concept of functional area planning is endorsed by the proposals for special revenue shares for manpower, law enforcement, and transportation. How would the federal agency administering a new planning grant coordinate its requirements and review processes with those of other federal agencies having intergovernmental responsibilities? What would be the administrative ties in any new planning grant for central staff work on behalf of the chief executive to: (a) functional state agency planning? (b) Federal technical assistance efforts? (c) Federal efforts to achieve improved State and local personnel training or management analysis? (d) statistical assistance and intergovernmental cooperation in statistics gathering, statistics use, and use of administrative information such as tax collection data, etc? (e) research of experimental program design and conduct of research on public service problems (Federal, State, university)? (f) technology transfers and science offices in the State governments? and (g) governmental research and evaluation institutes (Federal, State, local, or nonprofit)?

Second—and a concomitant perhaps of the first point—is that the programs listed have been undertaken as hesitant and grossly inadequate efforts. The inadequacies in size and scope may impair the implementing of techniques required to give reality to more effective State and local government. For example, the U.S. Bureau of the Budget early in 1965–66 gave its support to an intergovernmental demonstration in 5 states, 5 counties, and 5 cities of the application of management analysis to State, city, and county. At the close of the 5–5–5 project demonstration, the U.S. Department of Housing and Urban Development provided some financial support to program analysis in the nine local governments continuing their efforts, and undertook to invite governors in selected states to formulate planning projects that would call for the introduction of integrated systems of program planning and budgeting. Beginning with responses from Tennessee and New Mexico, the then U.S. Bureau of the Budget, through its Office of Program Evaluation, took on a role of technical overview on behalf of the Department of Housing and Urban Development. In the course of a subsequent team visit to Colorado, the technical overview was extended to include planning in the City of Denver—a beginning of the first of three visits to cities including in addition to Denver, Seattle and Indianapolis, Missouri, Wisconsin, and Connecticut also were visited, but in the latter case the preplanning grant overview was converted, by prior HUD approval, into a technical assistance team process. Thus, in over two and a half years a restricted program of Federal technical assistance built on and developed out of an Office of Management and Budget (and that of its predecessor agency) interest

in strengthening the program analysis capability of State and local governments resulted in team visits to only 6 states and 3 cities. And those team visits were single visits of a week or less duration without follow-up and post-grant evaluation.

Third, the framework for relating the several techniques of improved management into a set of reinforcing modules is missing. Too little and too fragmentary characterizes each of the several components of a management analysis process. For example: A new step toward building program analysis and related skills to strengthen staff capacity to inform governors, mayors, and county executives has just recently been taken with the adoption of the Intergovernmental Personnel Act of January 5, 1971. Earlier legislative authority for development of public service career training by the universities enacted as Title IX of the Higher Education Act has remained on the statute books without appropriation. And Title I of that Act, to encourage university assistance in community services has had an uncertain financial life. The several activities were not carefully designed to produce direct program interaction and to facilitate in some orderly way the achievement of the composite result of better program analysis and evaluation in the States.

Again, the statistical programs of the national government are designed to correct the deficiencies in data series that "to often fail to focus on the crucial facts needed for effective decisionmaking." Importantly the emphasis for the immediate period ahead is on statistics that can meet "the needs of local authorities in dealing with social and economic problems under the New Federalism."<sup>3</sup> For example, a national demonstration project was carried out by the Social and Rehabilitation Service to assist States and local areas to develop improved social welfare statistics. For the coming year, a substantial increase is proposed to construct models and carry out demonstration projects for cooperative Federal, State, and local health statistics programs. But such efforts are not related to each other. To illustrate, the important work of the U.S. Bureau of the Census in putting into practice a truly intergovernmental effort on data collection and estimation was not even mentioned in the recent special analysis made of statistics programs. Research on important national, regional, and local problems is being encouraged without the linking of that research to the statistical undertakings and to the planning grant support. The 1972 U.S. Budget, for example, calls for a stepping up of National Science Foundation appropriations to strengthen research that can help solve major intergovernmental problems such as pollution, health, transportation, and other urban, social, and environmental problems. This effort is linked to the research community and to the possible creation of special science offices in the State governments; and it seems to be unrelated to Federal governmental technical assistance efforts; intergovernmental statistics programs, or personnel training.

<sup>3</sup> *Budget of the U.S. Government: Special Analyses, Fiscal Year 1972, "Special Analysis F: Principal Federal Statistical Programs."* Washington: Government Printing Office, 1971, p. 87.

## C. APPROACHES TO SOLUTIONS

Consideration might well be given to reinforcing, enlarging, and interrelating approaches to strengthening the capacity of the State and local governments so that they may function more effectively within the new Federal fiscal structure proposed. Among the possible steps to be taken are these:

(1) The assignment by the Congress of some clear overseeing role on management of intergovernmental public programs to some executive agency. An overseeing technical role becomes essential at the national level to record the priorities in resource allocation as adopted by the States and communities and to measure those decisions and results obtained against the nation's priorities. More rational decisionmaking on the whole range of Federal domestic programs is sought now through the Domestic Council which provides a forum for considering all the various Federal activities and functions that affect the states and their subdivisions. However, further decentralization of domestic policies in the States and localities sharpens and deepens the requirement to be informed nationally about the decisions taken in the States and communities.

(2) The authorization by the Congress of offices of Federal-State-local relations in each of the major Departments concerned with intergovernmental relations. Heretofore, such offices, where established, have been a way to gain greater standardization of Federal procedures with respect to grants-in-aid, greater uniformity in program proposals put before the Congress, and to interpret to State and local governments the authority and intent of national legislation. A new range of responsibilities becomes urgent with the adoption of more flexible grant authority. Such authority requires of the agencies:

A better understanding of the actions taken by the States and communities on programs of concern to each Federal Department;

A clear recording of the objectives that are being pursued by each of the States and the communities, and the relationship of those purposes to national program purposes;

Collecting of data on tax change, and analysis of net consequences for "fairness" of taxation;

The recording of progress made in achieving program purposes, in terms of the Nation, the State, and the community;

A determining of the overall resource allocation achieved and the changes over a period, marking changes in quality and scope as well as quantity adjustments and their application;

A process of reviewing the extent of achievement of purposes of experimentation, together with a clear understanding of experimental findings;

The disseminating of program and research finding across State-local governmental boundaries.

These added functions require more surveillance of State and local activities than has been required heretofore, and makes more

urgent that surveillance particularly when there is no specific program reporting requirements that could show program achievements for which Federal dollars are committed.

Federal-State-local offices in each of the Departments, if established, would have additional responsibility for coordinating programs administered by several agencies within the Department, and also developing procedures for assuring that assistance on planning and program evaluation is extended as required to both central staff agencies of the governors, mayors, and county executives, and to the functional agencies in the States and communities.

Where appropriate, Departments, through their offices of Federal-State-local relations, might well encourage decentralized reporting, data gathering, and technical assistance efforts, with regional offices serving in this role. The basis for better coordination of Federal domestic programs has been established with the creation of uniform boundaries and office locations for each of the 10 Federal regions. Regional councils composed of regional directors of major grant-making agencies now have the primary responsibility for coordinating the various programs. However, regional offices now do not appear to have either the staff or the organization required to service on a collaborative basis central staffs of State and local governments and counterpart functional agencies.

(3) The executive branch of the national Government has recognized that organizational effectiveness does not flow automatically from structure. Basically the ability of organization depends upon the strength of the program management staff. Manpower planning, manpower training, and manpower utilization at the State and local government levels are an integral part of Federal revenue sharing proposals. The legislative authority exists; appropriations have to be adequate to carry out the Congressional intent.

(4) Moreover, timely and accurate information is required for effective policy making and program management. In the light of program problems and policy purposes, information will have to be generated that can quantify program purposes and measure accomplishments. It is proposed that in connection with any revenue sharing measures—general or special—requirements be imposed on recipient governments for “statements of intent and purposes in use of Federal funds” so that those statements may be monitored and analyzed.<sup>4</sup>

(5) State and community planning assistance needs to be enlarged. As part of a consistent effort to assist States and communities, the President recommends \$100 million of expenditures for a planning and management program. The President has essentially recommended a broadening of the authority of section 701 “because of the importance of increasing the management capacity, the decision-making capacity of State and local governments and areawide agencies.”

Neither the form nor the amount is adequate to the task of encouraging program planning and analysis, and the content as elaborated in the President’s message to the Congress of March 10

<sup>4</sup> It is important that these not be termed “plans” in order to avoid some of the confusion that already surrounds the word “planning.”

on Rural America in Transition has more the aspects of land planning than of program planning, management analysis, and evaluation. The administration's proposal appears to call for a state-wide development plan which is based on a consultative process that considers plans submitted by multijurisdictional planning districts covering all areas of the State. These multijurisdictional planning districts established by the State would be required to be composed of local elected officials. In the consultative process required of title II of the urban community development proposal, the governor would have the assistance of one member from each of the district planning bodies. The product would be a plan that would seek to integrate all important community development factors, including land use, and could identify (a) potential growth areas, (b) potential new community development sites, and (c) environmentally important areas.

In view of the special focus of the planning provision of the planning and management assistance program proposed by the President, it seems desirable to suggest consideration of an additional program analysis and evaluation grant. This grant would go to States and local governments participating in revenue sharing under formula rather than as a project grant. It would be in an amount equal perhaps to 5 percent of the general revenue sharing, but would be specially appropriated by the Congress out of other funds for this purpose and would be distributed in accord with the general grant formula. Of the amount so provided, perhaps as much as 25 percent of the total might be required to be used for evaluation purposes and generation of program options suggested by the evaluation findings.

The general purpose planning grant proposed might have the characteristics shown in Attachment A as to purposes, fund use, activities to be assisted, and authorities of the Federal administrative agency.

(6) Technical assistance by the national agencies needs to be made truly interagency, well designed, and be enlarged as a collaborative Federal technical assistance effort. In recognition of the central role of the State and community in providing services to the people, technical assistance on the one hand has to concentrate on helping State and local governments gain an enhanced measure of capability in management analysis and evaluation and a sensitive response to the objectives of the job at hand. On the other, a considerable body of new types of data and materials is needed in order that the national Government understand what is ongoing in the States and localities so that it may evaluate those activities and programs and help to disseminate findings that would be generally of concern and interest to many States and communities and to the Congress. A strategy for technical assistance necessarily must be developed.

Technical assistance by a national agency in a Federal system that gives full recognition to State sovereignty has at no time been an easy concept to carry out; when Federal strings on funds are absent and Federal purposes remain to be served, the execution becomes even more difficult. Questions remain as to whether technical assistance in a Federal system is best carried out directly by the national Government, or by intermediaries such as research in-



stitutes. The pros and cons of the several methods need far more attention than has been given to the problem heretofore.

(7) The Joint Economic Committee of the Congress and the Committee concerned with intergovernmental relations may wish to consider the development of a joint staff to monitor the activities and resource allocation decisions involving federal tax funds in the states and communities. Not only will the Congress look to that staff to assess and review formulas developed for the distribution of funds among governments under general revenue sharing and other grant-in-aid provisions, but also assessment of program results in terms of people and services. Measurements will be required to gain accountability for performance of urban development, rural development, education, transportation services, manpower development, and law enforcement programs. Moreover, none of the special revenue sharing proposals as now drafted, with the exception of the special manpower revenue sharing, makes adequate provision for data collection required to test out and propose revisions as necessary in the yardsticks used for formula allocations. Especially urgent in this regard is the need for data that can improve the factual base on income of all the residents of each of the jurisdictions eligible for support and the extent of the low incomes prevailing in each of those jurisdictions. A planned use of Federal internal revenue income data should be explored. At present, existing statistics are not adequate to the task of measurement of need, price differences, and income resources among governments.

These and other approaches to solutions necessarily are considered against a background of growth in State and local government. Within a brief period of 5 years or so States and communities may well be spending \$200 billion to provide services for their residents. It is not unlikely that within these years the National Government's commitment of tax resources to those expenditures may reach \$60 billion. And in addition, the National Government may well have taken on a far larger responsibility for income maintenance and medical assistance, thus relieving States and communities of at least part of the financial burdens of those public protections.

If the experiment of relaxing Federal strings is to have a trial, the shortcomings of State and local capacity for program policy formulation and management cannot be swept under the rug. Rather, there needs to be a forthright effort to help States and communities in their analysis and evaluation work so that they may carry out their public responsibility for responsive production of services.

The steps that need to be taken are not unfamiliar; small beginnings have been made on many approaches to assistance by the National Government. The difficulties in the past have been the lack of commitment to strong supports for State and community management program decision and monitoring of results. Hesitant, faltering, uncoordinated efforts and directions have been compounded by the pulling and hauling of the many Federal agencies, each of whom has in fact an important role to perform but not in isolation.

Perhaps least developed is the role of the Congress and the congressional committees in a federalism that leaves wide discretion to the States and communities. Program analysis as a part of legislative

formulation and evaluation that is fed into program design for congressional consideration are vital components of required action.  
(Attachment A. follows:)

ATTACHMENT A.—ILLUSTRATIVE SPECIFICATIONS FOR A GENERAL-PURPOSE  
PLANNING GRANT

I. *Purpose.*—To strengthen planning capabilities in State and local governments by assisting States, cities, and counties to improve planning processes and functions within their agencies and instrumentalities: by increasing the ability of States to assist smaller units of general local government within their borders to carry on such planning functions and to establish and maintain appropriate staff units for such purposes; and by supporting training programs to augment the supplies of qualified personnel necessary for such activities.

II. *Uses of grant funds.*—Funds allotted to States would be available for expenditures for:

A. Salaries for augmented analytical staff components in State agencies,

B. Support of improved organizational arrangements for carrying on planning functions (including support of multi-disciplinary analytical teams),

C. Staff training programs and activities for State and local personnel,

D. Publication and dissemination of data, results of studies and analyses, and other planning materials (including materials on the techniques of planning and the relationship of planning to other governmental processes), and

E. Technical assistance and consultation services.

III. *Matching.*—Within the limits of each jurisdiction's allotment, 66% percent reimbursement of the cost of activities carried on in pursuance of the jurisdiction's program for promotion and improvement of planning functions.

IV. *Limitations on use of grant funds.*—The following limitations apply to the sums used by the State from its allotment for direct expenditure and to all expenditures by cities and counties of 50,000 population or over (percentages are of the total annual allotment):

A. Minimum percentages (not to exceed 10 percent) when set by regulation, to be used for staff training programs and activities (as further defined by regulation) for State and local personnel.

B. Not more than 15 percent for additional staff in agencies receiving other planning assistance grants (under Federal programs).

C. Not more than 25 percent for contractual services or retainers and fees for outside consultants.

V. *Grant conditions.*—In addition to the usual accounting and administrative provisions:

A. Submission by the State, city, or county of an acceptable program for promotion and improvement of planning functions, indicating—

1. The agency to have overall responsibility for carrying out the program,

2. The central staffing arrangements for assuring liaison among the various agencies carrying on planning functions,

3. The intended apportionment of grant funds among—

a. The jurisdiction's central staff unit,

b. Other agencies with planning functions,

c. Staff training programs and activities.

4. Proposed uses in combination with other planning grant funds,

5. Other major uses proposed, and

6. Minimum standards that will be applied by the State, city, or county in certifying expenditures for planning activities for purposes of Federal reimbursement.

B. Submission of annual reports by the State, city, or county containing a review and an evaluation of the effectiveness of the jurisdiction's program and proposed modifications for its improvement.

VI. *Planning activities to be assisted.*—To be defined so as to make clear the intent to assist those activities that are major components of planning processes without regard to the context or focus of the planning effort within which they are carried on. The definition should also contain an illustrative list of types of activities embraced by the definition and indicate it is subject to further

clarification or expansion by administrative regulation. The list of examples should include such activities as:

- A. Data procurement activities, including activities in development of appropriate data systems,
- B. Preparation of demographic, economic, fiscal, and other projections,
- C. Compilation of inventories of existing resources and programs,
- D. Assessment of current and future needs, development of standards or criteria for the purpose, and identification of factors affecting needs,
- E. Evaluation of existing programs,
- F. Identification of emerging issues and problems that may require analysis,
- G. Development of program alternatives in response to identified governmental objectives,
- H. Program analyses, including systems analyses, cost-effectiveness studies, cost-benefit analyses, etc.,
- I. Examination of the consequences and implications for future years of current program options and decisions, including development and maintenance of a multiyear program and fiscal plan, capital improvement program, etc., and
- J. Development and maintenance of PPB system-type procedures.

VII. *Standard-setting authorities of the Federal administering agency.*—To include, at least, establishment by regulation of the criteria to be applied in determining “*acceptability*” of proposed State, city, and county programs and in reviewing annual reports and proposed modifications; such criteria to include such matters as:

- A. Recommended guidelines for establishing a continuing central staff unit and functions to be performed by such a unit,
- B. Policies to attain a balanced and effective apportionment of grant funds (including percentages to be used for training),
- C. Standards to be applied in identifying in-service training activities for purposes of Federal reimbursement (including the use of outside consultants for such training purposes),
- D. Policies covering the use of grant funds for activities also aided by other Federal planning assistance programs, and
- E. Minimum content for the initial year program in jurisdictions with no previous central planning staff organization.

## COMMENTS OF WILLIAM B. SHORE, VICE PRESIDENT, REGIONAL PLAN ASSOCIATION

The first section of this statement seeks to summarize the principles of metropolitan governance that previous statements to the committee have been enunciating, and it extends them somewhat. The second section argues that no metropolitan government is possible without metropolitan communities, which we no longer are building, and proposes a solution.

### THE RIGHT CONSTITUENCY FOR KEY DECISIONS

Proposals for centralization of local powers to a metropolitan government, on the one hand, and for decentralization of city powers to neighborhood government units, on the other, are efforts to adjust constituencies to the issues being decided. The goal is to include in the constituent area those with the principal stake in the decision and, insofar as possible, only those people. In the one case, not enough people are now involved in certain local decisions (e.g., on housing and zoning). In the other case, too many people are involved (e.g., in setting some priorities for capital improvements affecting mainly an individual neighborhood).

Consideration of these issues goes back several decades. It is simply a continuation of the home rule movement which espoused the principle that the States should not make decisions which applied solely to a single municipality. The appropriate constituency was deemed to be the municipality in that case. That was the area principally concerned.

Though many people use the battle cry of "home rule" to defend continued municipal control of all of the programs allotted to municipalities decades ago, in fact the constituencies mainly concerned with many municipal functions have been greatly enlarged since those years, often beyond municipal borders.

Zoning and housing, waste management and roads are among the more obvious issues that affect whole urban regions. These changes in the affected constituencies since the 1920's and 1930's resulted from the spread beyond municipal borders of a closely interdependent population. Municipal boundaries no longer define a labor market, a housing market, the population supporting (and dependent on) major services—a hospital, a college. Further, increased mobility has meant that people have much more stake in what happens far from their homes.

So the principle of home rule, that those with the greatest stake in a decision should have the greatest voice, is still valid. But its use to defend all existing municipal powers is not. People in a far broader area than a municipality are severely affected by many local decisions and should participate.

The situation has become so fluid—defining who has what stake in what decisions—that political scientists observer 2 decades ago a new federalism emerging. The old notion of federalism could not operate: specific programs assigned to each level of government like a layer cake. Rather we had, in our pragmatic way, created marble-cake federalism in which the same programs were operated by several levels of government at once, each level taking responsibility for those elements in which its own constituency was primarily concerned.

Marble-cake federalism seems to work. It seems quite reasonable then, to consider now the sharing of zoning and public housing powers in place of the sole responsibility that municipalities carry in many states today. In New Jersey and New York, for example, Regional Plan Association has suggested as the basis for discussion that counties be asked to plan the locations of large facilities—major offices, hospitals, colleges, department stores—that serve a broader-than-local community. Then they might roughly sketch out a recommended population density so that it relates to the jobs, major facilities, and transportation. Total housing needs of the state should be considered in preparing this plan.

Within the county planning framework, municipalities would be free to design their own development. They could still determine a great deal about the texture, appearance, and local movement system of the locality. Should municipal plans not fulfill the needs of the larger communities—the county and the state—they would be subject to veto. In short, each level of government would participate in that part of development planning that most directly affects its own constituency.

School policy is another example. The Nation, the State, the locality, the school attendance area all have a stake, but slightly different stakes, in how schools are run. Each level should have some discretion. Just how much discretion is being tried out in decentralization experiments in some cities and, at the same time, in stronger arm-twisting by State school executives. Again, greater mobility means the whole country is more affected by school policies in each school district. And the more responsibility the Federal Government assumes for welfare payments, the more financial stake the whole Nation has in the quality of local schools. There is increasing need and justification for enlargement of school tax bases, at least to the State level and possibly to the Federal Government.

#### A REASONABLE CONSTITUENCY DEPENDS ON BUILDING REAL COMMUNITIES

Many people are turning attention to questions about which parts of which public programs should be assigned to which level of government, including perhaps a new metropolitan level. As long as shared "marble-cake" powers are considered instead of layer-cake powers, this job is do-able but difficult. In the meantime, the related question of reasonable geographical borders between adjacent governmental units, whether local governments, county governments or multi-county metropolitan governments, has become all but impossible to define in our large urban conglomerations today. This is the main point of our statement.

Patterns of urbanization have changed since the early 1950's, when we knew what we meant by a local community and a metropolitan area. Then, a metropolitan area meant a "mother city" (i.e., metropolis) surrounded by the local suburban communities it had spawned. Each resident was a citizen of a local community and also of a distinct metropolitan community. Since the early 1950's, in large urban regions, neither the new local communities nor the metropolitan communities are clearly defined. They are growing, instead, in the form of amorphous homogenized urbanization, what Regional Plan Association has called "spread city." Urban areas do not accrete onto existing places: jobs do not join existing job and service clusters, population does not grow outward in orderly fashion from existing settlements. Instead, urban areas are growing like a chain-link fence, with jobs leap-frogging out ahead of housing in some places, housing spurting here and there around the jobs, the department stores and small hospitals grabbing onto expressway interchanges or lining major arteries among unrelated subdivisions.

There is, therefore, no logical place to draw a boundary and say, "There is a community." People in any one spread-city area have random links to places closer in and places further out. Some people work in one direction, some in another. They shop and seek services in all directions. They therefore have a stake in decisions made all around them. There is no way to draw a line and say, "The influence of a decision in 'X' area stops here." In spread city, links just keep on going.

Ultimately, one urban region runs into another, as the New York urban region now runs into the Philadelphia urban region.

Looking for a metropolitan area suitable for metropolitan government is hopeless in spread city. There is no beginning and no end; there is no there there. In large urban areas, then—along the eastern seaboard, in the California urban corridor, around Chicago—the argument for metropolitan government is pointless. There no longer are distinct metropolitan areas to govern.

There is a remedy, however, and it forms the foundation of Regional Plan Association's second regional plan: conscious shaping of our urban areas into metropolitan communities composed of real local communities. In that plan, we have outlined the process and proposed some of the areas. Altogether, the New York urban region, running roughly from Trenton to New Haven, east to the tip of Long Island and west to the Pennsylvania border, and including 20 million people, could include about two dozen distinct metropolitan communities. There would include Queens and Brooklyn in New York City, which could become much more sharply defined communities within the city than they are today.

Simply put, metropolitan communities are created by drawing residents to a common center for many of the area's jobs (increasingly office jobs in our region) and for the major services. Then the community should be demarked as much as possible with green borders.

Among the common centers we have proposed for modernization and growth are Jamaica (Queens), downtown Brooklyn, and the downtowns of Newark, Paterson, White Plains, Stamford, Bridgeport, New Haven. This policy contrasts with present practices of putting most of the office jobs and major services outside central city downtowns, onto office campuses or along highways or at expressway interchanges—unrelated to any community and tending to dispel any

sense of community. Similarly, neighborhoods should be formed into genuine local communities by putting local jobs and services into a single local center for each municipality instead of their straggling along the roads or grouped in small shopping centers. Finally, green spaces should be consciously used to define local communities.

This is the only way to rationalize government structure and decision-making in large urban areas so that those with the most stake in an issue have the greatest voice in its resolution. Otherwise, the random interrelationships in a spread city stretching for miles necessitate either decisions by a local government which is demarked arbitrarily, leaving many concerned citizens with no voice in decisions affecting them, or by the state even though it would be a "local" decision if there were a real locality.

Further, most people have told us on public participation questionnaires that they value the sense of community that this pattern would create just for its own sake.

Once we return to building real local and metropolitan communities, we have logical building blocks for urban planning. The metropolitan community—which in the New York region could conform roughly to counties in most cases—would be the basic planning building block. Each metropolitan community would be a small partially independent economy. It also would be a partially independent housing market if it provided adequate housing for those employed in the area. However, its plan must fit with the urban region's needs. Some overlaps remain, and the metropolitan communities and their economies would remain somewhat dependent on the regional center and regional economy. The regional center, of course, is the central business district of the whole urban area, Manhattan, downtown Philadelphia, downtown Chicago, et cetera. So regional planning remains necessary to guide metropolitan plans (i.e., county plans—in many cases). Where necessary, regional needs can be imposed by the States or by Federal grant pressures (as seems contemplated now by Congress' making regional planning units the review agencies for most Federal grant programs). At the same time, many planning and zoning and design controls can be left to the local governments, subject to overriding where absolutely necessary by the States or metropolitan (i.e., county) governments.

In sum, if we are to have effective local government, we must have real communities, both local and metropolitan. Therefore, the first step in reorganizing urban government must be creating real communities out of spread city. This will require all the Federal and State levers now available and then some, and all pulled in the same direction toward building centers and communities, including—

Federal responsibility for all poverty-related public programs to strengthen older cities so they can again become the places in which people come together,

State discretion to use Federal highway grants for public transportation,

Highway locations and priorities,

Airport locations,

Waste management grants,

Open space acquisition,

College locations,

Library locations,  
Hospital locations, and  
School tax base.

Good government depends on real communities. Real communities will not happen without conscious public policies to make them happen. Until we build real metropolitan areas again, there is no point in debating whether there should be metropolitan government.



**COMMENTS OF PAUL N. YLVISAKER, PROFESSOR,  
WOODROW WILSON SCHOOL OF PUBLIC AND INTER-  
NATIONAL AFFAIRS, PRINCETON UNIVERSITY**

Your letter of January 11, 1971, suggests a national planning act under which "at the Federal level, regional planning and action programs would be brutally decentralized to regional offices set up in the 10 Federal administrative regions that have been established during the last 2 years."

Your letter also requests a reaction to this proposal.

My own reaction can be summarized in a series of perhaps equally provocative statements:

(1) The search for more effective, more powerful and more decentralized Federal regions is for the most part a frustrating chase after the Holy Grail. Unless the White House is willing and ready to accept both immediate and final responsibility for the work now delegated to the members of the Cabinet and their respective Departments, it doesn't make much sense to set up super-departmental regional administrators reporting directly to the Executive Office of the President. The Cabinet members and Federal departments would fight the move, with good as well as bad reasons. The White House, too, would come to regret the move, to the degree that the regional administrators acquired local political roots and independent constituencies, and as the number of decisions they had to participate in began to accumulate.

(2) Neither the departments nor the White House are likely to allow power to be effectively decentralized. The decisions that some of us would most want to have decentralized require the very power that top officials in Washington can't afford to let go. These decisions involve political hassles and calculations and risks that can lead to congressional inquiry and retribution. Building up powerful regional administrators could very well add to the delays in making these critical decisions, by interposing another layer of ego- and strength-testing.

(3) All of which does not mean that we can be satisfied with the way the Federal Government does its regional business or makes its regional plans. In my own experience (especially the celebrated case of the Newark Medical School, described in the reprint attached) regional coordination can be achieved if the affected Cabinet members in Washington and the White House really want to achieve it. Regional administrators "get the message." In short, better regional performance is first of all dependent on Cabinet solidarity and better departmental performance in Washington.

(4) I am not impressed with the record and potential of regional planning and grant review as these have grown up under Department of Transportation and the Department of Housing

and Urban Development auspices over the last 15 years. They have become elaborate technical exercises, more often than not widening the schism between suburb and central city. They are little more than a rationalization of the status quo.

(5) One forward step that could be taken would be to place regional planning under the direction of the Council of Economic Advisers. This would force the Council to descend from the more rarefied atmosphere of national aggregates to the blood and guts of urban infrastructure and area development. It would take some of the blinders off the present practitioners of regional planning. It would also rise above the jurisdictional concerns of the several departments.

(6) The attempt to get regional decentralization shouldn't become a substitute for shaking up State and local governments. For all their glaring deficiencies, State governments are still the best bet for producing responsible regional planning. They are constituted as political entities; they have elected legislatures; they have tax powers; et cetera—and in the short run at least, these powers are not going to be duplicated by, or shifted to, other more synthetic institutions. The national planning act I would like to see would bring the American President to bargaining sessions with State Governors and legislatures; and then the Governors to bargaining sessions with local mayors and councils. The bargaining power from the top would be shares of Federal and State revenues; the price to be exacted would be more broad based and equitable tax structures at State and local levels, and more performance requirements. For example, no State should get a share of Federal revenues unless it shifted from the property tax toward the income tax, unless it submitted an affirmative housing program which showed how in the next 10 years it would overcome its housing deficiencies at all income levels.

(7) Short of fundamental changes like these, I think we are likely to end up in the all-too-familiar pastime of playing bureaucratic games.

(Attached reprint follows:)

# What Are the Problems of Health Care Delivery in Newark?

PAUL N. YLVISAKER, Ph.D., *Commissioner, State of New Jersey, Department of Community Affairs, Trenton, New Jersey*

An ad is now appearing throughout our region which reads "Don't knock Newark." The best face possible is being put on Newark: photographs which show the dozen or so major new buildings that have been deposited onto that otherwise deteriorating landscape. I suppose, as a state official, I ought not to knock Newark either, but should dutifully give you the rosy view of health services in that community. Some days I am an optimist, some days I am a pessimist, and some days I am dutiful. Today, I will walk with you down the middle and talk to you as a realist.

The most authoritative statement on health services in Newark came on June 6 when our State Health Planning Council said that health and medical services rendered to the residents of Newark are in general disgraceful.\* Judge for yourself. The statistics show that Newark has the highest incidence of venereal disease and infant and maternal deaths in the nation. Seven out of 13 selected indices of the health status of Newark's citizenry show a continued decline between 1964 and 1967 relative to the rest of the United States; the remaining six indices show little if any gain. I have no reason to believe there has been any change for the better since 1967.

Over the last 15 years, Newark has lost 190 physicians to the suburbs. Most of these have been young; most of them have been the specialists, leaving behind the older GP's. Only one out of 15 medical

\* Press Release, June 6, 1969.

practitioners in Newark is black, but the population of the city is 55 percent black.

Seventy-six percent of the patients entering Martland Hospital (the city hospital just taken over by the New Jersey College of Medicine) are not covered by any kind of medical insurance. The comparable figure for the surrounding suburbs is 10 percent. New Jersey's version of Medicaid will operate at a bare minimum—it has no medically indigent categories whatsoever. Martland Hospital, the only hospital for most of the ghetto population, is familiarly known as “The Butcher Shop.” Present estimates are that it will take more than \$20 million to put it back into decent and serviceable condition.

As they say, don't knock Newark. The facts will do it for you.

But not everything is dismal about Newark, despite the sadness and pessimism that often overwhelm me when I see what little has changed since the disturbances of 1967 and 1968. A very rare thing *has* happened in Newark—an exercise in negotiated consent that has sounded one of the most hopeful notes in medicine and community relations in the country. It's the story of the New Jersey College of Medicine and the long, agonizing, but salubrious process by which the college finally won the consent of the black community to its location in Newark's crowded Central Ward.

The college had left Jersey City because of political interference. A number of suburban areas then made a strong pitch to get the college to locate on their greenswards, where “white nurses could go without fear of being molested,” where there would be the kind of pastoral setting in which academic medicine could go on with its business as usual. But there was a mixture of politics and morality which entered into the final decision by the state that the medical school would have to go into the city of Newark. Newark needed it most, both medically and economically.

How that decision was first made and announced became a cause célèbre: some have said it helped provoke the Newark outbreak of 1967. In retrospect it would be easy to blame and to criticize; at this point I want only to describe. But surely, the decision in its first form symbolized the simplistic thinking that has made both medicine and urban renewal an anathema to our black and poorer communities. What was decided—unilaterally—was that 150 acres would be carved out of the Central Ward for the college. To those who are accustomed to medical schools in Texas or manufacturing sites in suburban open land, 150 acres may seem “reasonable.” To the black migrants who had settled in Newark and were now huddled in that central point of refuge, 150 acres represented the only available housing and, God knows, that housing wasn't very good. The area also represented a gathering point of political power. If that growing

power were broken up by dislocation and relocation, the prospect of black supremacy or of electing a Negro mayor would be dashed.

This taking of 150 acres therefore meant different things to different people—a necessity to some, a threat to others. So the medical school—to a degree unwittingly and innocently and to a degree wittingly and, I think, not so innocently—became the lightning rod of discontent and one of the declared causes of the revolution in Newark.

This conference could be a failure if it is not succeeded by other conferences on Medicine in the Suburbs, Medicine and Youth, Medicine and Mexican-Americans, medicine in general. Why? Because in the last few years the black community of the ghetto has had to bear the onus of pointing out to America its problems, its foibles, its idiosyncracies, and its failures. We have put on the back of black and ghettoed America, and the poor, the job of correcting the faults and of learning to deal with the complexities of 20th century society. To a degree, the black has been at fault for accepting that full burden; he has also dug himself into a parochial expression of general trends and general problems. I want to get at those more general factors, because the significance of the story of the medical school in Newark cannot be understood simply in terms of "black and white."

The significant theme is how you deal with a complex system, a system which has become so ominously complex that we may well have arrived again at that point in civilization reached by the builders of the Tower of Babel. That "tower" of development rose so "high" that it finally collapsed into a confusion of tongues. Well, you may build a civilization so complicated that man can no longer muster the sophistication to run it. That threat is upon us; if we fail now to keep up with our accelerating complexities we may fall back again into the jungle of competing separatenesses and self-interests. We will meet that threat only by developing our more civilized capacities—our competence to make meaning out of complexity and to convert competing interests and diverse values into a more general welfare.

The saga of the medical school ought to be read—as should the proceedings of this conference—as an attempt to deal with complexity and to make the whole system move to the general benefit of all within it.

Start, then, with some general observations. First, we are moving into an age when the things that count are services; the city we are building is the Service City. The planning of our communities in the past has been related to the mass production, distribution, and consumption of material goods. Test it out in terms of the city planning and urban renewal we have seen until now. We have been devoted to materialism and manufacturing in this society; and now we recognize that the growth sec-

tor and the great needs of our society, rich and poor, black and white, are services, and the test of a good community is really the service test—whether our citizens have access to a proper mix of critical services.

Therefore, we are in medicine where we are in law, in government, in the church, in philanthropy, in all of the services and the guilds and professions which produce them: we are dealing with a revolution, moving from a medieval system of limited production, distribution, and consumption, to the mass production, distribution, and consumption of these services. And the fight, of course, centers on how to mass-produce doctors—how to maintain the quality that has been achieved in this last 20 years of tremendous scientific progress and extend it on a mass basis.

There is no way of ducking these transitional problems. But to resolve them means getting into each of the subsystems (a seemingly infinite set of subsystems) involving each of the professions, each of the guilds, bringing them all out to the common marketplace of ideas, votes, and power, and there renegotiating the status quo.

In the perspective of these general trends and problems, let us resume the story of Newark. In the middle of the riots, the Governor turned to me and said, "Paul, I want you to tell the press that we're moving immediately to reduce the amount of acreage for the medical school."

That was the first step toward what became a long negotiation. I will not retrace all that jagged history. But for the next month, quietly, we began discussions with President Cadmus of the college and certain blacks—exploring the terms on which the college could locate in the Central Ward with the "consent of the community." The exercise was a fantastically complicated one, precarious every step of the way; and there were many times, frankly, when I despaired that we would ever pull it off. Yet we did. It took many months. And we ran into many a rough question. With whom, for example, do you negotiate? We came close to breaking up over that one. We talk glibly about "the community," but who really represents the community? City Hall was suspect: a special state commission formed to investigate the disturbances of 1967 had publicly reported a general impression of municipal corruption. This meant that negotiations—if they were to have general credence—would have to move beyond City Hall. The risk was obvious. If City Hall was not considered "legitimate," who was?

We took that calculated risk and began negotiating with an ad hoc coalition of blacks representing a range of civic groups—persons who at the time had initiative, solidarity, and support in the affected area. They became known as the "Negotiating Team."

At first the negotiations took place behind closed doors. For a while there was no alternative; after a while there was no excuse. What we were dealing with were public matters, and the temptation to use private talks

for less than public advantage was fast becoming evident on both sides. The game of power knows no color lines. So we had to reconstitute that whole setting. We had public meetings to which the entire community was invited, with the "negotiating team" seated up front. Night after night, with the Chancellor of Higher Education presiding, we negotiated point after point.

And those points—the agenda of our negotiations—represented another breakthrough in our conventional ways of doing things. Thanks to Robert Weaver, Secretary of HUD, his Under Secretary Robert Wood, and Wilbur Cohen, Under Secretary of HEW, Washington's usually warring and wary bureaucracies had agreed jointly on the terms of medical school, urban renewal, and Model Cities financing (see Appendix 1, p. 105): "No federal funds" unless substantial agreement could be reached by the negotiating parties on eight substantive issues. These included housing, relocation, employment, acreage, and a number of matters relating to health care and medical education.

We finally reached substantial agreement, and the document was signed—signed by two "sides" who had once been at verbal, and in some cases at physical "war" with each other. (See Appendix 2, p. 108.) When that agreement came, euphoria reigned: handshakes all around, and some embraces between black and white that left both parties slightly incredulous that the whole thing had really happened. But it *had* happened. And those agreements, I believe, are a "Magna Carta" in evolving civilized policy for urban America.

There have been ups and downs since that point. There are cases where the state had been in default of those agreements. There are cases in which the black participants have bogged down in their own internal politics and have not performed on schedule. Let me review some of the accomplishments and some of the shortfalls.

Take employment. We had agreed on a target (not a quota) for minority employment of at least one-third of all journeymen and one-half of all apprentices in each of the building trades. It was not hard to reach these percentages in the early stages of construction: laborers and excavators are preponderantly black. But then we get to the tougher trades: sheet metal workers, plumbers, electricians, ironworkers, machine operators. Here we ran into rugged resistance. Still, we've stuck with it. Under the agreements, an employment council has been created to monitor the letting of contracts—blacks, labor, college and state officials, who check each contract before it is let, to make certain it complies with judicial and other requirements for affirmative action programs. This process of review has been critically important. When the state has been tempted—under the urgency of construction schedules and medical college needs—to yield to union pressures and sign contracts before full compliance is

assured the black members of the council have kept the pressure on, in some cases causing the state to halt work until the agreements are honored.

This process has both compelled and enabled the state to exact long-needed changes in union, contracting, and construction practices. A week ago, the Governor announced that he was ready to institute suit against a number of unions which were still refusing to comply. (And this in an election year!)

The process continues to work. One of the minority representatives on the council, a graduate student in planning, has devised a set of conditions, most of which the state has now agreed to make standard language in all its construction contracts. If this is the younger generation, let's have more of them.

The agreements also looked beyond construction, to the medical college payroll: at \$15 million annually, the college will become the city's fifth largest employer. One objective is to get the local community college and high schools to concentrate on training for the subprofessions. Another is to build career ladders reaching from manual to medical. For if one is going to ask blacks in the area to surrender their housing, there ought to be a fair exchange by which they get the benefits of income, education, and employment.

Still it's one thing to say all this and another to make it real. Moving the educational establishment is no easier than moving the trade unions. And the systems we are trying to move are infinitely complex. This audience knows the complications of trying to redraw the boundaries of conventional professions and their subprofessions: for example, to allow a nurse to give medicines and to make certain that insurance companies will allow for the change; or to find the money to add new courses to the high school curriculum, or classrooms to the community college campus, or new facilities to the Martland Hospital.

Housing, the most obvious community need, requires an even deeper probe into the universe of what is complex. Nothing can be done in the central city which doesn't touch on housing. Relocation housing comes first and that has to be synchronized with construction of the college. But it has to be at prices which match the income and size of the families to be relocated—in some cases 13 children, no father, and practically no income.

Yet it can't just be housing. Mothers can't get along without day care, especially if you want them to train for jobs at the medical school. And day care can't be provided until new kinds of teachers are certified, including neighborhood persons who don't meet traditional standards, which means taking on the older guilds. Also, we have to rework former ways of organizing and funding day care, which takes months of protracted negotiations with state, Federal, and private agencies.



And sometimes solving one problem creates another. Blacks in Newark have felt cut off from decisions about urban renewal. So the agreements stipulated the creation of a housing council composed of neighborhood residents who were given full control over the reuse of 63 acres of cleared urban renewal land. It took more than a year for this council to get organized, so sharp were the internal differences of its members. But now the council *is* organized, and is struggling—I think constructively—to moderate the pressures upon it simply to “deal the land out”—and instead to set criteria for use of the land which will produce housing with the proper amenities, services, and general environment.

How this tale of dealing with the complex will end, I don't know. I have been impressed with the dogged courage of President Cadmus of the medical school who has had to live so long and precariously in the cross-fire of two cultures. I've also been impressed with the vitality and ingenuity of Newark's residents, who have bargained their way peacefully, persistently, and perceptively toward participation in their city's public decision-making. I have been impressed, too, with the ability of men in government to overcome the incredible friction and inertia of their usual environment, especially when energized by consumer groups who have done their homework and are aggressively monitoring public performance.

Newark is still a city of bad housing, disgraceful health services, and very rugged political realities. But one of the things that's holding the place together and giving us all a measure of hope is the spirit of the negotiations and the promise of the medical school agreements—a kind of integrity that comes not as a matter of self-righteousness and unilaterally, but because there are other people around to help keep you honest.

## APPENDIX 1

January 10, 1968

Honorable Richard J. Hughes  
Governor of New Jersey  
Trenton, New Jersey

Dear Governor Hughes:

This is in reference to our recent conversations relating to Federal funds for the construction of the New Jersey College of Medicine and Dentistry.

The letter of intent to apply for funds under the Health Professions Educational Assistance Act was submitted by the New Jersey College of Medicine and Dentistry on March 15, 1966, to the Public Health Service. Since that time, staff of the Bureau of Health Manpower of the Public Health Service has been working with the school in the development of plans and the application which was received on November 11, 1967. Much of the planning was done before the enactment of the Demonstration Cities Act (P.L. 89-754) in November 1966. We understand that the school has been attempting to modify and coordinate its planning with the new regulations involved in demonstration city planning.

In accordance with procedures for processing applications under the Health Professions Education Assistance Act, Consultants to the Surgeon General in academic areas of medical education, medical research, dental education, and medical libraries, with supporting staff, conducted a site visit in Newark and Jersey City on January 3-5, 1968, at the invitation of President Cadmus, Dean Rawson, and the Board of Trustees of the New Jersey College of Medicine and Dentistry. The purpose of this visit was to gather information about the educational programs of the medical and dental schools, their existing and proposed research programs, and the plans for the medical library to serve the institution. Attention is focused primarily on the educational and research program, with consideration of site plans, architecture, and arrangement of facilities as the area and environment in which the academic process functions. Obviously in the consideration of the role of patient care and health service, an essential part of the educational process, the community involvement, the source of clinical experiences, and mutual benefits to be derived from the presence of the institution, are matters of concern to the consultants. Other matters of site adequacy and utilization, and projection of future academic goals enter the picture and receive attention as evidence of a dynamic and progressive college, fulfilling its responsibility in the production of high quality physicians and health manpower.

When the data from the site visit have been collected, assessed, and reviewed in March and April by the appropriate National Advisory Health Councils, the Surgeon General will be prepared to render his decision under the Health Professions Educational Assistance Act.

Final decision with respect to the funding of the application cannot be made until the site of the school is settled. This will involve full consideration of the goals of the Model Cities legislation, and the other implications of concomitant concern in this project by the Department of Housing and Urban Development and the Department of Health, Education, and Welfare.

The site visitors found in the proposal an unusual opportunity for improving health care in the community, providing educational opportunities for students of the health professions and occupations and providing employment for residents of Newark during construction and following completion of the plant. The agreement between the City of Newark and the College for the professional staffing and operation of the City Hospital (located adjacent to the proposed site of the Medical School) has not been concluded. Dr. Cadmus will be working with City officials to bring about an understanding that includes an outreach program of services to the neighborhood. This agreement must be successfully concluded if the school is to have a viable educational program. The site visitors recognize the complex nature of the social and community

problems which a final plan for the school poses. The site visitors recognize that these problems must be solved before approval and funding of construction can occur. There is urgency in their solution if the school is to remain intact and to be able to improve its educational program and to contribute to local and national health and health manpower. The following steps must be taken in accordance with the Model Cities Act:

- a. The decision on the ultimate site must satisfy the intent of the Model Cities Act—that it be compatible with the plans developed for the neighborhood as a whole. Size of the sites will have to be resolved in terms of both of the essential needs of a high quality school and social impact of the amount of acres removed from residential use.
- b. That the construction and operation of the medical school should bring about an increase in scope and quality of medical services, outpatient and inpatient, offered the neighborhood.
- c. Representatives of the Medical School and the City Demonstration Agency (Model Cities) should meet with neighborhood representatives to discuss neighborhood concerns and to resolve any differences.
- d. That a relocation plan be developed meeting the needs of neighborhood residents involved and that firm commitments to this plan be made by the Newark Housing Authority.
- e. That suitable plans for employment of neighborhood residents be made both in construction and in operation of the center.
- f. That opportunities for training of neighborhood residents in health fields and the development of a health careers program be provided.
- g. That, in general, further long-range planning for additional educational and health care facilities be linked with City Demonstration Agency planning under the Model Cities program.

It is reasonable to assume, if these matters are settled before the meeting of the Surgeon General's Advisory Council in early March 1968, that the Council will take favorable action on the application and will recommend approval of the project to the Surgeon General. Funding, of course, will be contingent on relative priority assigned to the project, on the availability of funds, and the availability of a free and unencumbered site so that the school may begin construction as soon as funds are available.

So far as the approval of the urban renewal application now pending before the Department of Housing and Urban Development is concerned, all the steps outlined above are relevant.

In particular, HUD must have a firm commitment as to the immediate and ultimate size of the area to be used by the school, together with the redevelopment plan for the surrounding area. These should accompany the relocation plan outlined in paragraph (d) above.

It is our understanding that the details of such arrangements have been thoroughly discussed at the regional level with appropriate local, state, and federal representatives, and the specifics are capable of precise and immediate identification. Assuming incorporation of these provisions to the extent required in the contracts between the United States and the City of Newark's renewal agency, the Secretary of the Department of Housing and Urban Development will be prepared to approve both a contract amendment dealing with the 11.5 acres of the Fairmount project and a new contract for financial

assistance for the 46-acre tract proposed as the final site of the New Jersey College of Medicine and Dentistry.

Sincerely yours,

/s/ Robert C. Wood  
Under Secretary, HUD

/s/ Wilbur J. Cohen  
Under Secretary, HEW

## APPENDIX 2

### AGREEMENTS REACHED BETWEEN COMMUNITY AND GOVERNMENT NEGOTIATORS REGARDING NEW JERSEY COLLEGE OF MEDICINE AND DENTISTRY AND RELATED MATTERS (AS AMENDED)

APRIL 30, 1968

#### I. *Acreage*

It is agreed that the New Jersey College of Medicine and Dentistry will construct its facilities on 57.9 acres of land and relinquish its other options, releasing such land for the prompt development and rehabilitation of housing. It is further agreed that the 4.7 acres contemplated for use as a day care center for mentally retarded children and as an emergency reception and child care center will be relinquished for housing or mixed use. The possibility of retaining this facility in the Fairmount area as part of a mixed housing and institutional use project will be explored, and if found not to be feasible, efforts will be made to relocate the facility elsewhere in the city in order to make these important services available to the Newark community.

#### II. *Health Services, Employment and Training*

A new era in community health screams to be born. The people of Newark are unselfish mid-wives who have offered their homes and their hopes. But

without whole community participation, there cannot be a new beginning in the improvement of health services. Nor can there be genuine progress without medicine making its boldest commitment.

When physicians and healers monitor the inner city pulse, they also must look for signs of social pathology and purpose. Only total concern for the community can help it contribute to the national well-being.

The low-income and disadvantaged sectors of the community cannot be held to be responsible for the present state of public health in Newark. They are, however, prepared to share responsibility for the future, and there cannot be a meaningful future for the health professions without their partnership.

In order to provide for a comprehensive health program for the residents of the area served by Martland Medical Center (the Newark City Hospital) and for the Newark area generally, the following steps will be taken in conjunction with the community.

1. Upon agreement with the City of Newark that the New Jersey College of Medicine and Dentistry will administer Newark City Hospital, the college will devote a minimum of \$2.5 million to the immediate renovation and improvement of health services and facilities at the hospital.

The State of New Jersey pledges to provide this minimum amount from existing appropriations. The college will use this pledge as a stimulus towards securing the additional funds from private and public sources (state, local and federal) for the continued improvement of health services at Newark City Hospital.

2. The college will operate the city hospital as an integral part of its educational and community health programs. It will seek to improve the quality of medical care at city hospital to a level equivalent to that expected of the teaching hospital to be built on college grounds.
3. The relationship of the teaching hospital to the city hospital will be the same as that maintained with every other hospital in the state: Newark patients will be accepted to the teaching hospital on precisely the same basis as all other residents of New Jersey.
4. The college agrees to implement a comprehensive community health services program. This program will include experimental and demonstration techniques, as well as long range health services. They will be subject to the review and recommendations of the community health council to be established with the community.
5. The college and the community agree to work with other interested parties in developing a Newark community health council. The community health council will have majority representation from the community. Three members will be designated by the Model Cities Citizen Participation Committee. Three more shall be appointed by the UCC and three additional members will be selected by the community-at-large. Eight members will represent local medical and health institutions. If a larger council is necessary, it will be expanded in the same proportion as that established here. The functions of the community health council will be as follows:

- (a) Development of a comprehensive health plan for Newark's low-income community;

- (b) A comprehensive community mental health plan for Newark's low-income community;
- (c) To contract for and operate federal, state and local funded community health programs, including OEO and PHS;
- (d) Serve to formulate and coordinate training programs in the health services and professions area;
- (e) Assist the College of Medicine and Dentistry in an active program of recruitment for minority group students, faculty members and professional personnel;
- (f) A sub-committee of the community health council, composed of the nine community representatives, shall work jointly in developing and shall review and approve programs to be developed and administered by the college to provide community health services to low-income persons in Newark;  
This sub-committee shall be attached to the College's Department of Preventive and Community Medicine: it is understood that this sub-committee will relate to other departments as the need arises;
- (g) The community health council will work jointly with the college in developing career ladders for non-professionals in the health field, including the establishment of criteria for the screening and selection of non-professionals;
- (h) Evaluate from time to time the adequacy of community health services being provided by the medical school complex and make suggestions for change.

The College will abide by the various policy decisions made by the Council within the areas described in points (a) through (h). The Newark Community Health Council will be represented on the Area-wide Health Planning Council and will be provided technical assistance by the Areawide Council. Funds will be secured from Model Cities, OEO and other sources, including funds for the hiring of consultants to the community.

- 6. The College will establish a special scholarship and recruitment program directed at attracting black and Latin students to the medical and dental professions.
- 7. The Essex County Community College and the Medical College will develop training programs for nurses, ward management, specialists and medical technicians. Five such programs will begin in September 1968: pre-medical, nursing, hospital unit management, medical record librarian and medical secretary. Three-hundred students will be enrolled by this fall with a special recruitment drive to be focused in the medical college area.
- 8. Commissioner Marburger will work with the Newark vocational schools and MDTA skill center to key developing programs to parame-dical opportunities made available by the Medical College. In particular, the pending expansion of the skill center will be closely coordinated with the Dean of Allied Health Professions at the Medical College to achieve the highest standards in training and clinical experience. Specific training will be undertaken for practical nurses, ward aides, dietary personnel, and medical maintenance personnel.

9. The new Manpower Training Skill Center already has initiated programs in three health profession areas: practical nursing, nurses aides, and medical secretary. These can be expanded to three to five times the current enrollment, and further training programs can and will be added.
10. Commissioner Marburger will also work with the Essex County Vocational and Technical School to increase enrollment in current programs for practical nurses, dental assistants, and medical assistants.
11. Whenever possible, efforts will be made to locate training courses in the vicinity of the College.
12. Every effort will be made to insure that as many of the 2,600 jobs which the medical college complex is expected to produce once it is in full operation in the early 1970's, will be filled by residents surrounding the medical school area.

### III. *Relocation*

In recognition of the fact that Newark's housing resources are limited, the following procedures will be used to assure that all families and individuals dislocated by the medical center project will be satisfactorily relocated:

1. The State of New Jersey pledges that demolition and construction on the 46 acre site will be staged in such a manner as not to displace any family until satisfactory relocation accommodations are found for each family and individual so displaced.
2. The State of New Jersey, through the Department of Community Affairs, will provide a rent supplement program for all families who could not otherwise be relocated. Through the Department of Institutions and Agencies, the State will insure that local and county welfare departments meet their full obligation under existing welfare law and regulations to relocate welfare recipients and standard housing at full economic rent.
3. The State of New Jersey will accelerate its assistance to community based housing corporations in order to create additional relocation resources in the manner indicated in Part VI below.
4. The Newark Housing Authority will accelerate its leased housing and rent supplement programs under existing authorization and will seek additional commitments of leased housing funds as soon as possible.
5. The relocation review board shall be formed consisting of one member from HUD, one member from the Department of Community Affairs, and four members selected by the community housing council to be formed under these agreements. The review board shall have two functions:
  - (a) The review board will hear complaints from relocatees regarding the relocation process. If the review board finds that the relocation practices followed and adopted by the Newark Housing Authority adversely affect any individual to be displaced or evicted, or threatened with the displacement or eviction as a result of the construction of the medical school, they will refer him to the ap-

propriate state or federal body for administrative or judicial remedy, and assist the complainant in the presentation of his grievance.

To this end, the review board shall be given full access to dwelling inspection records, the records of complainants appearing before the board, any plans, proposals, contracts, leases, and supporting documents which are pertinent, except for those documents made confidential by law.

- (b) The review board shall also serve to determine which families shall need State of New Jersey rent supplements as provided under point 2 above. The review board will work with the Department of Community Affairs in developing standards and criteria for its guidance in making this determination.

The Department of Community Affairs will secure funds to pay salaries of two full-time staff persons to work with the relocation review board. These two persons shall be designated by the community representatives on the review board.

6. The State Division of Civil Rights will participate on an active basis in the relocation process and insure that all state and federal legislation pertaining to housing is scrupulously enforced.
7. The above provisions will be made terms of the contractual agreement between the medical college and the City of Newark, and between the city and the federal government.

#### IV. *Medical College Construction*

- A. *Objective:* A major objective of the community and federal, state, and local governments is expanded opportunities for minority group employment on the medical college construction site. Achievement of this objective requires significant representation of minority groups in each trade, with at least one-third of all journeymen and one-half of all apprentices in each trade being drawn from minority groups.
- B. *Steps to be Taken:* In addition to vigorous enforcement of Title VII of the U.S. Civil Rights Act, the President's Executive Order 11246, and New Jersey Executive Order 21, the following steps shall be taken toward the above objective:
  1. Formation of a review council composed of community representatives, union officials, contractors, state and federal representatives to conduct pre-contract award reviews, to review union-contractor bargaining agreements, to coordinate recruitment and referral efforts, and to review compliance. The council shall establish minority group representation standards in conformity with the objectives stated above. The majority membership on this council shall be composed of community representatives. The pre-contract award review process will require all contractors and sub-contractors to submit projected manning (manpower) steps with racial breakdowns and union contractor bargaining agreements to the review council. If these projections do not meet the minority group representation standards established by the council, contractors will be required to



undertake an affirmative action program designed to meet such standards. The affirmative action program will be incorporated in the construction contract and all sub-contracts. Failure to carry out the affirmative program will constitute material breach of contract. Affirmative programs must include at least the following:

- (a) A concerted effort to recruit qualified craftsmen using all available community resources, including the Joint Apprenticeship Program, the New Jersey Public Employment Service, the UCC and minority group publications. Recruitment will be focused particularly on craftsmen working in related trades or in non-union jobs. On-the-job training will be provided by industry, labor, or government to enable craftsmen to make any necessary transition from one related trade to another. A convenient mechanism must be established so that such craftsmen will be graded by and introduced into the trade unions. In the event of union resistance, contractors—with the full support of the State Government—will hire such minority group craftsmen directly and assign them to the medical school construction site. Such craftsmen will be paid prevailing union rates, including the cash equivalent of fringe benefits.
  - (b) Immediate pressure by contractors and the state and federal government to enlarge existing apprenticeship classes, or to open new classes, in order to provide maximum opportunities for minority groups in accordance with the Bal Harbour Declaration.
  - (c) Immediate development of pre-apprenticeship training programs, at pay commensurate with apprenticeship rates, with guarantees by contractors and unions that persons who satisfactorily complete training will become registered apprentices and will receive employment with the contractors. This provision is in recognition of the fact that there are many young people who can become qualified craftsmen but who cannot now meet formal apprenticeship requirements for entrance. MDTA Multi-Skill Centers shall be one of the agencies providing apprenticeship construction training programs.
2. The review council shall formulate an affirmative program to assure that a substantial number of contracts are placed, to the fullest extent possible, consistent with state and federal law, with minority group businessmen. Contracts and sub-contracts shall be divided into small parcel bids so as to assure equitable distribution of contracting parcels. The State shall assure that small minority group businessmen will have adequate assistance in acquiring bonding, where required, in order to undertake and complete contractual relationships. Additional technical assistance shall be provided by the State to minority group businessmen to enable them to bid effectively.
  3. The designation of full-time compliance officers in the Department of the Treasury to police and enforce the medical school construction integration program. These officers shall be selected by the review council in conformance with Civil Service Laws.

## V. *Model Cities*

1. The Federal regulations relating to the Model Cities Program will be rigidly adhered to by the Newark City Demonstration Agency.
2. An ad hoc committee of community representatives composed of 25 members—five from the UCC, ten from the community-at-large, five to be designated by the negotiating team, and five to be designated by the city—will be formed. The ad hoc committee will serve as the catalyst in developing a broad-based community group to serve as the vehicle of community participation under the Model Cities guidelines. The composition of this community participation vehicle will ultimately be subject to ratification by the community in a democratic manner and after due public notice.
3. The City of Newark agrees that the citizen participation mechanism eventually developed will have a joint veto over the programs to be developed and administered by the City Demonstration Agency.
4. The citizen participation mechanism will also have the power to call for a public hearing when it feels that its views are not properly being considered by the City Demonstration Agency.
5. The Department of Housing and Urban Development will carefully supervise the degree of effective citizen participation and will suspend activities in the Model Cities Program when the participation requirements herein expressed are not being fulfilled.

## VI. *Housing Construction*

1. A Community Housing Council shall be formed within 30 days. This Council shall be broadly representative of community organizations and individuals concerned about housing in Newark.
2. A task force of representatives of HUD, the State Department of Community Affairs, the Newark Housing Authority and the members of the Citizens Housing Council shall be organized promptly upon the formation of the Citizens Housing Council. The majority membership on this task force shall be composed of representatives of the Citizens Housing Council. The task force shall prepare a housing program designed to produce sufficient housing to meet the demand created by projected dislocation in Newark, as well as to add significantly to Newark's supply of low and moderate income housing. This program shall be used as guidelines for federally and state assisted housing programs in Newark. The task force shall report within three months of its formation.
3. The Newark Housing Authority agrees to meet with the Citizens Housing Council periodically to:
  - (a) Review the status and disposition of parcels in urban renewal projects in execution, and
  - (b) Review the priorities and direction of urban renewal in Newark, particularly with regard to the need for greatly increased housing construction.
4. The Newark Housing Authority agrees to convey to non-profit com-

- munity-based housing corporations land designated in Louis Danzig's letter of March 1, 1968 to Chancellor Dungan, the text of which is attached as Appendix A to these agreements.
5. In order to facilitate responsible planning and analysis by community groups, the Department of Community Affairs pledges to:
    - (a) Provide to such community groups as have received an option on urban renewal land "seed money" for planning and development of working drawings, specifications, etc.;
    - (b) To provide resources for the overall evaluation of Newark's housing program in the form of consultants, planners, and any funds reasonably necessary;
    - (c) To have the New Jersey Housing Finance Agency process applications for State funds from community groups with dispatch.
  6. All parties concerned will give due consideration to mixed use construction, e.g., housing over schools, institutional facilities, and/or commercial uses.
  7. The United States Departments of Housing and Urban Development and Health, Education and Welfare pledge to encourage their component and subsidiary agencies in the fields of housing, health, and education to proceed with all possible dispatch in processing applications from community and community-related groups for federal funds for these purposes.
  8. Both HUD and the Department of Community Affairs will review and act upon all urban renewal and housing proposals from the City of Newark in such a manner as to bring about a greater commitment of available land and resources to housing construction.

March 1, 1968

Hon. Ralph Dungan  
 Chancellor  
 N.J. Department of Education  
 236 West State Street  
 Trenton, New Jersey

Dear Chancellor Dungan:

As a result of the open public negotiations with the community in the City of Newark the following is my understanding of agreements reached pertaining to land use in the Fairmount Urban Renewal Project N.J. R-72 and the Old Third Ward Urban Renewal Project N.J. R-6:

In order to provide land for the first stage of the housing program which is necessary to meet Newark's critical housing needs, including those created by the problem of relocation, the Newark Housing Authority undertakes the following.

(1) To convey no less than 24 acres in N.J. R-72 to public non-profit community based corporations. It is understood that development in this area

should incorporate compatible commercial, institutional and educational development, and may include a day care center for mentally retarded children.

(2) To convey the following parcels in N.J. R-6 to one or several public non-profit community based corporations: 7B, 7C, 8B, 21, 23, 31 and 33. The total acreage in these parcels is 24.02.

(3) To redesign the following parcels in cooperation with a public non-profit community based corporation: 23, 23A, 24, 25, 26. The total acreage in these parcels is 20.59. The Newark Housing shall secure the cooperation of the City of Newark, the Newark Board of Education, the Boys Club of America, and the Y.M.C.A. in redesigning this area with the objective of making significant additions to Newark's housing supply.

In order to fulfill this undertaking the Newark Housing Authority shall obtain releases of the options presently held by Jack Parker.

The Newark Housing Authority shall convey these parcels expeditiously to community based corporations as soon as these corporations are formed and selected by the broad based community "umbrella" organization to be established pursuant to other agreements reached in negotiations concerning the New Jersey College of Medicine and Dentistry.

Sincerely,

/s/ Louis Danzig  
EXECUTIVE DIRECTOR

